
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 720

Session of
1981

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FRYER, GREENWOOD AND WOGAN, MARCH 9, 1981

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, OCTOBER 27, 1981

AN ACT

1 ~~Amending the act of June 13, 1967 (P.L.31, No.21), entitled "An~~ <—
2 ~~act to consolidate, editorially revise, and codify the public~~
3 ~~welfare laws of the Commonwealth," further providing for the~~
4 ~~authority of the department as to investigation and~~
5 ~~enforcement and changing certain penalties; providing for the~~
6 ~~maintenance of services of certain State institutions;~~
7 ~~requiring all checks for assistance to contain the recipient~~
8 ~~social security number; changing clauses relating to~~
9 ~~exclusions from requirements of registration for employment,~~
10 ~~training and manpower; limiting general assistance to~~
11 ~~chronically needy persons and transitionally needy persons;~~
12 ~~providing for rental payments to housing authorities in~~
13 ~~certain cases; prohibiting and releasing certain liens on~~
14 ~~real property; requiring verification of residency;~~
15 ~~prohibiting the payment of moving expenses; further providing~~
16 ~~for annual quality control reviews relating to the~~
17 ~~administration of assistance, for child support eligibility,~~
18 ~~for continuing eligibility for general assistance and the~~
19 ~~verification thereof, for procedures relating to the~~

~~cooperation of caretaker relatives, for access to certain records, for the use of funds saved and for certain expenditures; providing for certain employment incentive payments as tax credits; and authorizing a priority employment services program; an employment opportunities incentive program and further providing for payments to pharmacy providers.~~

AMENDING THE ACT OF JUNE 13, 1967 (P.L.31, NO.21), ENTITLED "AN ACT TO CONSOLIDATE, EDITORIALY REVISE, AND CODIFY THE PUBLIC WELFARE LAWS OF THE COMMONWEALTH," FURTHER PROVIDING FOR THE EXPEDITED IMPLEMENTATION OF REGULATIONS GOVERNING FEDERALLY SUBSIDIZED PROGRAMS; LIMITING THE AMOUNT OF ASSISTANCE GRANTED TO PERSONS UNDER AGE 21 AND TO FAMILIES CONTAINING STRIKERS; REQUIRING COOPERATION WITH THE DEPARTMENT IN VERIFYING ELIGIBILITY; ELIMINATING THE CONTINUATION OF PUBLIC ASSISTANCE PENDING APPEAL TO COURT IN CERTAIN CASES; ALLOWING ABBREVIATED HEARINGS IN CERTAIN CASES; CHANGING THE LIMITS ON PROPERTY HOLDINGS; ELIMINATING THE MAXIMUM WITHHOLDING EXEMPTIONS; CHANGING THE METHOD OF DETERMINING NEED; PROVIDING FOR CONSIDERATION OF THE INCOME OF STEPPARENTS AND OTHER INDIVIDUALS; CHANGING THE EMPLOYMENT, TRAINING AND MANPOWER SERVICES EXEMPTIONS; AMENDING THE LAW REGARDING RECOUPMENT OF OVERPAYMENTS AND CORRECTION OF UNDERPAYMENTS; MAKING TECHNICAL CORRECTIONS; ~~AND~~ AUTHORIZING THE DEPARTMENT TO CONFORM THE ASSISTANCE PROGRAM TO FEDERAL LAW SO AS TO INSURE THE CONTINUED RECEIPT OF FEDERAL FUNDING FOR ASSISTANCE PROGRAMS AND PROVIDING FOR THE USE OF NET SAVINGS ARISING FROM CONFORMING STATE LAW.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

~~Section 1. Section 201, act of June 13, 1967 (P.L.31, No.21), known as the "Public Welfare Code," is amended by adding a clause to read:~~

~~Section 201. State Participation in Cooperative Federal Programs. The department shall have the power:~~

~~* * *~~

~~(4) To conduct investigations of all criminal activities related to fraud, misuse or theft of public assistance moneys, medical assistance moneys or benefits, or Federal food stamps, committed by any person who is or has been participating in or administering programs of the department, or by persons who aid or abet others in the commission of fraudulent acts affecting welfare programs.~~

1 ~~Section 2. Section 403 of the act is amended by adding a~~
2 ~~subsection to read:~~

3 ~~Section 403. Uniformity in Administration of Assistance;~~
4 ~~Regulations as to Assistance. * * *~~

5 ~~(c) The department shall conduct annual quality control~~
6 ~~reviews of the chronically needy case load in accordance with a~~
7 ~~methodology and scope determined by the department.~~

8 ~~Section 3. The act is amended by adding sections to read:~~

9 ~~Section 318. Notice and Public Hearing. At least thirty~~
10 ~~days prior to the department making a decision to close, sell,~~
11 ~~lease or otherwise transfer the ownership or operational control~~
12 ~~of any hospital or affiliated school of nursing, State mental~~
13 ~~hospital, mental retardation center, or other similar~~
14 ~~institution funded by the General Assembly or allows the~~
15 ~~material reduction of bed complement, services or staff at an~~
16 ~~institution the department shall hold a public hearing in the~~
17 ~~affected area.~~

18 ~~Section 319. Maintenance of Service. The department may not~~
19 ~~close, sell, lease or otherwise transfer the ownership or~~
20 ~~operational control of any State General Hospital or affiliated~~
21 ~~school of nursing, State mental hospital, mental retardation~~
22 ~~center, or other similar institution funded by the General~~
23 ~~Assembly, nor may the department materially reduce services such~~
24 ~~as chaplaincy services, at State facilities or materially reduce~~
25 ~~staff levels without presenting their proposal to the General~~
26 ~~Assembly. Material reductions shall mean a reduction in the bed~~
27 ~~complement of an institution of five percent; and a material~~
28 ~~staff reduction shall mean a five percent reduction of the staff~~
29 ~~complement within an institution. The proposed reduction in~~
30 ~~services, staff or facilities shall be placed on the calendar of~~

~~the House of Representatives and of the Senate. If either legislative body disapproves of said action within five legislative or thirty calendar days, whichever is later, then such action may not take effect.~~

~~Section 404.1. Identification Number on Checks. The department shall place or cause to place the social security number of the recipient on each check issued for assistance under this article.~~

~~Section 4. Subsections (a) and (c) of section 405.1 of the act, added July 15, 1976 (P.L.993, No.202), are amended to read:~~

~~Section 405.1. Pennsylvania Employables Program. (a) [Every individual, within ten days after establishing eligibility for public assistance, as a condition of continuing eligibility for aid to families with dependent children or general assistance,] Prior to the authorization of assistance, every individual shall register at the county board of assistance on forms provided by the department in accordance with regulations of the department for employment, training and manpower services, unless such individual is:~~

~~(1) a child who is attending school or college or an approved program of vocational training on a full time basis or who is under the age of sixteen;~~

~~(2) [ill or incapacitated;] physically or mentally incapacitated; physical or mental incapacity shall be deemed to exist when the person has a physical or mental defect, illness or impairment. The incapacity shall be supported by competent medical evidence. Alcohol or drug dependent persons are obligated to comply with section 9(d), act of April 14, 1972 (P.L.221, No.63), known as the "Pennsylvania Drug and Alcohol Abuse Control Act";~~

~~[(3) so remote from a registration security office that effective participation in employment and training counseling is precluded;~~

~~(4)] (3) required to be present in the home because of illness or incapacity of another member of the household;~~

~~[(5)] (4) the mother or other relative of a child under the age of six who is caring for the child;~~

~~[(6)] (5) the mother or other caretaker of a child if the father or another adult male relative is in the home and not excluded from the requirement to register, unless such adult male relative has failed to register as herein required or has refused without good cause to accept employment or to participate in work experience or training;~~

~~[(7)] (6) the mother or other caretaker of a child between the ages of six and fourteen, unless there are adequate child care arrangements for the child;~~

~~[(8)] (7) actively participating in the Federal work incentive program or was certified to said program within the previous six months; or~~

~~[(9)] (8) employed full time.~~

~~* * *~~

~~(c) The department shall, within twelve months of the effective date of this act, establish a series of demonstration projects which will have as their primary purpose, the obtaining of bona fide employment for non exempt assistance applicants and recipients. The demonstration projects may be substituted for the registration required by subsection (a). The demonstration projects shall include, but not be limited to referral to private employment agencies under contract with the department and the establishment of an employment officer in county board~~

1 ~~of assistance offices. Those demonstration projects considered~~
2 ~~by the department to be successful after at least a twelve month~~
3 ~~trial period may be made permanent on either a Statewide or~~
4 ~~localized basis. During the trial period, a demonstration~~
5 ~~project may be expanded. Every demonstration project must~~
6 ~~include adequate provision for evaluation and each evaluation~~
7 ~~shall include participation by members of the public. [Nothing~~
8 ~~in this subsection shall be construed to permit the~~
9 ~~implementation of a demonstration program which would require an~~
10 ~~applicant or recipient to perform work as payment for an~~
11 ~~assistance grant.]~~

12 ~~The department shall establish a demonstration workfare~~
13 ~~program wherein able bodied general assistance recipients shall~~
14 ~~be assigned to a department, agency or institution of the State~~
15 ~~or any political subdivision thereof or any authority of a~~
16 ~~nonprofit agency or organization by the county board and shall~~
17 ~~be required to work such number of hours as he or she would work~~
18 ~~if paid a compensation equal to the local prevailing wage. Such~~
19 ~~work shall not exceed eight hours per day or forty hours per~~
20 ~~week. However, no person registered under this subsection shall~~
21 ~~be assigned to work if such work:~~

22 ~~(1) results in any displacement of employed workers;~~
23 ~~(2) results in a reduction in the number of persons in State~~
24 ~~and local government, including authorities;~~

25 ~~(3) is unreasonable with regard to conditions of work,~~
26 ~~geographic region and proficiency of the participant; or~~

27 ~~(4) is available due to labor dispute, strike or walk out.~~

28 ~~The department shall extend employment services as defined in~~
29 ~~this subsection to all general assistance recipients in all~~
30 ~~counties.~~

1 * * *

2 ~~Section 5. The act is amended by adding a section to read:~~

3 ~~Section 405.2. Pennsylvania Workfare Program. (a) In the~~
4 ~~event an able bodied recipient of general assistance does not~~
5 ~~otherwise gain employment, it is the intent of the General~~
6 ~~Assembly to establish a workfare program whereby able bodied~~
7 ~~recipients of general assistance shall provide public service in~~
8 ~~exchange for their publicly funded cash grants.~~

9 ~~(b) In addition to the Pennsylvania Employables Program, the~~
10 ~~department shall establish workfare programs in all counties of~~
11 ~~the Commonwealth.~~

12 ~~(c) The department shall enter into cooperative agreements~~
13 ~~with any department, agency or institution of the State or any~~
14 ~~political subdivision thereof, to provide able bodied general~~
15 ~~assistance recipients with workfare opportunities.~~

16 ~~(d) Able bodied general assistance recipients shall be~~
17 ~~assigned by the department to perform public service and shall~~
18 ~~be required to work such number of hours as he or she would work~~
19 ~~if paid a compensation equal to the local minimum wage. Such~~
20 ~~work shall not exceed eight hours per day or forty hours per~~
21 ~~week. Individuals who fail to participate in an assigned~~
22 ~~workfare project in accordance with rules and regulations~~
23 ~~promulgated by the department, shall be terminated from~~
24 ~~assistance pursuant to section 432.3.~~

25 ~~(e) Workfare employes shall not be used to displace employed~~
26 ~~workers, be assigned more than twenty five miles from his or her~~
27 ~~residence unless the department determines that a greater~~
28 ~~distance is not a hardship, or be employed due to a labor~~
29 ~~dispute, strike or lockout.~~

30 ~~(f) Legislative Oversight. The department shall propose~~

~~initial rules and regulations regarding workfare not later than
thirty days prior to the effective date of this amendatory act.
Neither initial rules or regulations nor any promulgated
thereafter with regard to this section shall take effect without
the approval of the General Assembly. Such proposals for rules
and regulations shall be submitted to, and approved or
disapproved by, the Senate and the House of Representatives in
the same manner as provided for the consideration of
reorganization plans provided for by the act of April 7, 1955
(P.L.23, No.8), known as the "Reorganization Act of 1955." In
the event that the General Assembly disapproves the proposed
rules and regulations, then the department shall resubmit new
rules and regulations within thirty days.~~

~~(g) Sunset. This section shall expire June 30, 1984 unless
the General Assembly extends its existence prior to April 1,
1984.~~

~~Section 6. Section 408 of the act is amended to read:~~

~~Section 408. Meeting Special Needs; Encouraging Self Support
and Employment. [(a)] The department shall have the duty to
take measures not inconsistent with the purposes of this
article; and when other funds or facilities for such purposes
are inadequate or unavailable to provide for special needs of
individuals eligible for assistance; to relieve suffering and
distress arising from handicaps and infirmities; to promote
their rehabilitation; to help them if possible to become self-
dependent; and, to cooperate to the fullest extent with other
public agencies empowered by law to provide vocational training,
rehabilitative or similar services.~~

~~[(b) The department shall encourage employable recipients of
assistance to accept full or part time employment by providing~~

1 ~~that such recipients will again be granted assistance upon~~
2 ~~termination of such employment if they are in need thereof.]~~

3 ~~Section 7. The act is amended by adding sections to read:~~

4 ~~Section 408.1. Rental Payments to Housing Authorities. If~~
5 ~~upon the petition of any housing authority created under the~~
6 ~~laws of this Commonwealth and after a hearing, the county board~~
7 ~~finds that a tenant of a housing project of the housing~~
8 ~~authority who is a recipient of public assistance owes the~~
9 ~~authority rent, in an amount equal to or greater than three~~
10 ~~monthly rental payments, then the board shall notify the~~
11 ~~department to deduct an amount equal to one and one third~~
12 ~~monthly rental payments from each monthly assistance payment and~~
13 ~~pay the amounts deducted to the housing authority until such~~
14 ~~time as all the rent owed is paid. The department shall make the~~
15 ~~deductions required by this section to the fullest extent not~~
16 ~~inconsistent with Federal statute or regulation and shall make~~
17 ~~every effort to obtain a waiver of any inconsistent Federal~~
18 ~~requirement.~~

19 ~~Section 414. Real Property Liens Prohibited. (a) No lien~~
20 ~~may be imposed against the real property of any individual or of~~
21 ~~his spouse on account of assistance paid or to be paid on his~~
22 ~~behalf (except pursuant to the judgment of a court on account of~~
23 ~~benefits incorrectly paid on behalf of such individual), and~~
24 ~~there shall be no adjustment or recovery from such individual's~~
25 ~~estate or from the estate of his spouse of any assistance~~
26 ~~correctly paid on behalf of such individual.~~

27 ~~(b) On and after the effective date of this section, all~~
28 ~~real property subject to liens prohibited by this section is~~
29 ~~released from the lien and the department shall take the~~
30 ~~necessary steps to properly record the release of such liens.~~

1 ~~Section 8. Section 423 of the act, repealed in part April~~
2 ~~28, 1978 (P.L.202, No.53), is amended to read:~~

3 ~~Section 423. Hearing Appeals of Recipients. (a) Each~~
4 ~~county board shall hear and determine appeals from actions of~~
5 ~~its employes affecting the rights of those applying for or~~
6 ~~receiving assistance. Any person applying for or receiving~~
7 ~~assistance of any type covered by the public assistance~~
8 ~~provisions of the Federal Social Security Act, may appeal to the~~
9 ~~department from any decision of the county board, refusing or~~
10 ~~discontinuing his assistance, in whole or in part. In every such~~
11 ~~appeal, an opportunity for a fair hearing shall be granted, and~~
12 ~~the decision of the department on such appeal shall be final,~~
13 ~~except as otherwise hereinafter provided. All such appeals shall~~
14 ~~be in accordance with rules and regulations established by the~~
15 ~~department. [All appeals from the county board to the department~~
16 ~~or from the department or county board to the court, shall~~
17 ~~operate as a supersedeas of any order of the county board or~~
18 ~~department in all cases where the appellant is already receiving~~
19 ~~assistance.]~~

20 ~~(b) Notwithstanding anything to the contrary in Title 2 of~~
21 ~~the Pennsylvania Consolidated Statutes (relating to~~
22 ~~administrative law and procedure), the department may make an~~
23 ~~adjudication solely on the basis of written submissions if the~~
24 ~~sole question presented by the appellant is one of State or~~
25 ~~Federal law.~~

26 ~~Section 9. The introductory paragraph and clause (3) of~~
27 ~~section 432 of the act, amended April 1, 1976 (P.L.64, No.28),~~
28 ~~are amended and a clause is added to read:~~

29 ~~Section 432. Eligibility. Except as hereinafter otherwise~~
30 ~~provided, and subject to the rules, regulations, and standards~~

~~established by the department, both as to eligibility for assistance and as to its nature and extent, needy persons of the classes defined in clauses (1), (2), [(2)(i) and (2)(ii)] and (3) shall be eligible for assistance:~~

~~* * *~~

~~(3) Other persons who are citizens of the United States, or legally admitted aliens and who are chronically needy or transitionally needy persons.~~

~~(i) Chronically needy persons are those persons chronically in need who may be eligible for an indeterminate period as a result of medical, social or related circumstances and shall be limited to:~~

~~(A) A child who is under age eighteen, or who is under twenty two and attending high school or an approved program of vocational training on a full time basis.~~

~~(B) A person who is over forty five years of age.~~

~~(C) A person who has a serious physical or mental handicap which prevents him or her from working in any substantial gainful activity as determined in accordance with standards established by the department. The department may require that documentation of disability be submitted from a physician or psychologist. The department may also order at the department's expense a person to submit to an independent examination as a condition of receiving assistance under this paragraph. The department shall determine eligibility within thirty days from the date of application. Persons discharged from mental institutions shall be classified as chronically needy in accordance with department regulations.~~

~~(D) A person who is a caretaker. This category of persons shall include (i) one parent or other caretaker of a child under~~

~~the age of fourteen and (ii) persons whose presence is required in the home to care for another person as determined in accordance with department regulations.~~

~~(E) A person suffering from drug or alcohol abuse who is currently undergoing active treatment in an approved program.~~

~~(F) A person who is employed full time and who does not have earnings in excess of current grant levels.~~

~~(G) Any person who is ineligible for Unemployment Compensation and whose income falls below the assistance allowance level as a result of a natural disaster as determined by the department.~~

~~(H) Any person who does not qualify as chronically needy under other provisions of this act, who has served at least one year on a sentence of imprisonment, and has been transferred to a pre-release facility, released on parole, or released at the expiration of the maximum sentence not more than sixty days before applying for assistance. Such persons shall only be considered as chronically needy under this provision for a maximum of three months following release from imprisonment, and must comply with section 405.1.~~

~~(I) Any person who has previously been employed full time for a period of five years or more and has exhausted their unemployment compensation benefits.~~

~~(J) Any person who does not otherwise qualify as chronically needy, and who is receiving general assistance on the date this section is enacted into law and who has not refused a bona fide job offer or otherwise failed to comply with all employment requirements of this act and regulations promulgated thereunder. Such person must comply with all employment requirements of this act and regulations promulgated thereunder. If after the date~~

~~1 this section is enacted into law a person's general assistance
2 grants are terminated, then that person may not subsequently
3 qualify for general assistance under this paragraph, except when
4 such person has been terminated from employment through no fault
5 of his own and has not met the minimum credit week
6 qualifications of the act of December 5, 1936 (2nd Sp.Sess.,
7 1937 P.L.2897, No.1), known as the "Unemployment Compensation
8 Law." If it is determined that the classification of persons
9 according to their status on the date of enactment as provided
10 in this paragraph is invalid, then the remainder of this act
11 shall be given full force and effect as if this paragraph had
12 been omitted from this act, and individuals defined in this
13 paragraph shall be considered transitionally needy if otherwise
14 eligible. No person shall qualify for general assistance under
15 this paragraph after July 1, 1983.~~

~~16 (ii) Assistance for chronically needy persons shall continue
17 as long as the person remains eligible. Redeterminations shall
18 be conducted on at least an annual basis and persons capable of
19 work, even though otherwise eligible for assistance to the
20 chronically needy, would be required to register for employment
21 and accept employment if offered as a condition of eligibility
22 except as otherwise exempt under section 405.1.~~

~~23 (iii) Transitionally needy persons are those persons who are
24 otherwise eligible for general assistance but do not qualify as
25 chronically needy. Assistance for transitionally needy persons
26 shall be authorized in the form of a single grant not to exceed
27 the amount of one hundred twenty days assistance in any twelve
28 month period.~~

~~29 * * *~~

~~30 (6) No person shall be denied general assistance under this~~

~~act in any county where the department as required under section 405.2 fails to establish a Workfare Program, or if such program is established, the Commonwealth or a political subdivision thereof, fails to offer such person or persons service in such a program.~~

~~Section 10. Sections 432.3 and 432.4, subsection (c) of section 432.5, subsection (a) of section 432.6 and clause (4) of subsection (a) and subsection (b) of section 432.7 of the act, added July 15, 1976 (P.L.993, No.202), are amended and section 432.6 is amended by adding a subsection to read:~~

~~Section 432.3. Voluntary Termination of Employment. A person who is not in a class of persons excluded from mandatory participation in the Pennsylvania employables program and who without good cause: (i) voluntarily terminates employment or reduces his earning capacity [for the purpose of qualifying for assistance or a larger amount thereof; or]; (ii) fails to apply for work at such time and in such manner as the department may prescribe; or (iii) fails or refuses to accept referral to and participate in a vocational rehabilitation or training program, including the work incentive program, or refuses to accept referral to and work in employment in which he is able to engage, provided such employment conforms to the standards established for a bona fide offer of employment in the Pennsylvania employables program, shall be disqualified from receiving assistance for [thirty days thereafter and] sixty days for the first violation and thereafter until such time as he is willing to comply with the requirements of section 405.1. For the second violation and for each subsequent violations the disqualification period shall be one hundred twenty days. The disqualification period shall commence on the date the~~

1 ~~department's order imposing the disqualification is final.~~

2 ~~Section 432.4. Identification and Proof of Residence. All~~
3 ~~persons applying for assistance shall provide acceptable~~
4 ~~identification and proof of residence; the department shall by~~
5 ~~regulations specify what constitutes acceptable identification~~
6 ~~and proof of residence. A person shall be deemed to be a~~
7 ~~resident when he or she documents his or her residency and that~~
8 ~~residency is verified by the department. Verification shall~~
9 ~~include but is not limited to the production of rent receipts,~~
10 ~~mortgage payment receipts, utility receipts, bank accounts~~
11 ~~and/or enrollment of children in local schools.~~

12 ~~For the purpose of determining eligibility for assistance,~~
13 ~~the continued absence of a recipient from the Commonwealth for a~~
14 ~~period of sixty days or longer shall be prima facie evidence of~~
15 ~~the intent of the recipient to have changed his residence to a~~
16 ~~place outside the Commonwealth. The department shall make~~
17 ~~inquiry from all recipients who have been continuously absent~~
18 ~~for a period of thirty days to determine whether or not it is~~
19 ~~their intent to remain residents of the Commonwealth or to~~
20 ~~become residents elsewhere, and shall redetermine the residence~~
21 ~~of such persons. In any case in which such inquiry does not~~
22 ~~establish that the recipient remains a resident of the~~
23 ~~Commonwealth, his aid shall be terminated after providing timely~~
24 ~~and adequate notice of such intended action.~~

25 ~~If a recipient is prevented by illness or other good cause~~
26 ~~from returning to the Commonwealth at the end of sixty days, and~~
27 ~~has not acted to establish residence elsewhere, he shall not be~~
28 ~~deemed to have lost his residence in the Commonwealth.~~

29 ~~When a recipient of aid to families with dependent children~~
30 ~~or general assistance is absent from the United States for a~~

~~period in excess of thirty days, his aid shall thereafter be
suspended whenever need cannot be determined for the ensuing
period of his absence.~~

~~[It is not the intent of the General Assembly, however, in
enacting this section to create any durational residence
requirement.]~~

~~Section 432.5. Limits on Property Holdings. * * *~~

~~(c) Personal property in excess of a combined amount of two
hundred fifty dollars (\$250) for the first person in the
assistance unit and one hundred dollars (\$100) for each
additional person in the assistance unit shall be considered an
available resource except as follows:~~

~~(1) Wedding and engagement rings, family heirlooms, clothing
and children's toys.~~

~~(2) Household furnishings, personal effects and other items
used to provide, equip, and maintain a household for the
applicant and recipient.~~

~~(3) Equipment and material which are necessary to implement
employment, rehabilitation, or self care plan for the applicant
or recipient.~~

~~(4) [Motor vehicles.] One motor vehicle.~~

~~(5) Savings of school children up to two thousand dollars
(\$2,000) for each child.~~

~~(6) Retroactive assistance payments received as a result of
a prehearing conference or a fair hearing decision.~~

~~(7) Life insurance with a cash value not in excess of [one
thousand dollars (\$1,000).] two thousand dollars (\$2,000).~~

~~* * *~~

~~Section 432.6. Support From Legally Responsible Relatives.~~

~~(a) Every applicant for assistance whose eligibility is based~~

~~on deprivation due to absence of a parent from a home shall be referred within ten days for interview to the [designated support official of the department who shall be stationed in local welfare offices, unless such offices have too few applicants to warrant permanent stationing] domestic relations section or other applicable division of the court of common pleas. The department shall be responsible for taking all steps necessary to identify, locate, and obtain support payments from absent parents.~~

~~* * *~~

~~(c) Acceptance of public assistance shall operate as an assignment to the department, by operation of law, of the assistance recipient's rights to receive support, on his or her own behalf and on behalf of any family member with respect to whom the recipient is receiving public assistance. Such assignment shall be effective only up to the amount of public assistance received. The assignment shall take effect at the time that the recipient is determined to be eligible for public assistance. Upon termination of public assistance payments, the assignment of support rights shall terminate, provided that any amount of unpaid support obligations shall continue as an obligation to the department, to the extent of any unreimbursed assistance. Immediately upon receipt of notification from the department that a recipient has been determined to be eligible for public assistance, the clerks of the appropriate courts of the Commonwealth shall transmit any and all support payments that they thereafter receive on behalf of such public assistance recipients to the department. Such clerks shall continue transmitting such support payments until notified by the department that it is no longer necessary to do so. While the~~

~~1 recipient is receiving public assistance, any such support
2 payments made to or on behalf of the public assistance recipient
3 shall be allocated first to any amount due the department as
4 assignee of the recipient's support rights. The public
5 assistance recipient shall be deemed to have appointed the
6 department as his or her attorney in fact to endorse over to the
7 department any and all drafts, checks, money orders, or other
8 negotiable instruments submitted for payment of support due
9 during the time the recipient is receiving public assistance on
10 behalf of himself, herself, or any family member.~~

~~11 Section 432.7.— Determination of Paternity and Enforcement of
12 Support Obligations.— In accordance with a child support plan
13 approved by the Federal Government, the department shall have
14 the power and its duty shall be to:~~

~~15 (a) Require as a condition of eligibility for assistance
16 that the applicant or recipient:~~

~~17 * * *~~

~~18 (4) Cooperate in obtaining support payments for such
19 applicant or recipient and for a child with respect to whom such
20 aid is claimed or in obtaining any other payment or property due
21 such applicant, recipient or such child, except when such
22 cooperation would not be in the best interest of the child in
23 accordance with standards developed by the department consistent
24 with Federal regulations. "Cooperation" includes, but is not
25 limited to, the keeping of scheduled appointments with
26 applicable offices and appearing as a witness in court or at
27 other hearings or proceedings necessary to obtain support from
28 the absent parent.~~

~~29 (b) Provide for protective payments [for any child eligible
30 for assistance when a caretaker relative is ineligible due to~~

~~the caretaker relative's failure to comply with either clause
(2), (3) or (4) of subsection (a)] as set forth in section
432.7A.~~

~~* * *~~

~~Section 11. The act is amended by adding a section to read:~~

~~Section 432.7A. Protective Payments Imposed for Failure to
Cooperate. (a) It is essential to the effective and
responsible utilization of assistance funds that applicants and
recipients who are caretaker relatives of a child whose
eligibility for assistance is based on deprivation due to
absence of a parent from a home, cooperate fully with the
department in securing child support payments from the absent
parent and in all other matters set forth in subsection (a) of
section 432.7.~~

~~(b) (1) Upon application for assistance, each caretaker
relative shall be notified that his or her cooperation in the
matters set forth in subsection (a) of section 432.7 shall be
required as a condition of eligibility and that failure to
cooperate will result in the imposition of protective payments
for any child in whose behalf the caretaker relative seeks
assistance.~~

~~(2) If a caretaker relative fails to cooperate with the
department as set forth in subsection (a) of section 432.7,
unless the failure to cooperate was for good cause, the
department shall notify the caretaker relative verbally and in
writing that cooperation shall be required as a condition for
continuing eligibility and shall further inform the caretaker
relative that if he or she fails to cooperate protective
payments will be imposed.~~

~~(3) If the caretaker relative fails to cooperate, unless the~~

~~failure to cooperate was for good cause, the department shall notify the caretaker relative in writing that protective payments will be imposed for any child so affected ten days after the date of notice. At the expiration of the ten day period, the department shall impose protective payments.~~

~~Section 12. Subsection (b) of section 432.9, subsection (a) of section 432.11 and section 432.15 of the act, added July 15, 1976 (P.L.993, No.202), are amended to read:~~

~~Section 432.9. Central Registry. * * *~~

~~(b) To effectuate the purposes of this section, the department may request and shall receive from all departments, bureaus, boards or other agencies of this Commonwealth, or any of its political subdivisions, and the same are authorized to provide, such assistance and data [except tax records] as will enable the department and other public agencies to carry out their duties to locate absent parents for the support of their children. The data to be provided from tax records shall be limited, to full name, residence or address, name and address of employer and the social security account number of the absent parent. The department shall utilize the "parent locator service" pursuant to establishment in the Department of Health, Education and Welfare by filing in accordance with section 653(b) of the Social Security Act.~~

~~* * *~~

~~Section 432.11. Access to State Records. (a) The secretary or his designees in writing shall have access to all records [other than tax records], and the department, in cooperation with all other departments of the executive branch, shall establish a single uniform system of information clearance and retrieval. Information collected as a result of the use of tax~~

~~records shall be limited to full name, residence or address,
name and address of employer and the social security account
number of the absent parent.~~

~~* * *~~

~~Section 432.15. Quarterly Earnings Determination. The
department shall transmit to the [Bureau] Office of Employment
Security the social security number of all persons over sixteen
years of age who receive assistance during the second prior
quarter. The [Bureau] Office of Employment Security shall
determine the amount of wages reported by employers for the
amount of unemployment compensation insurance benefits which
have been paid during the second and third prior quarters to
persons with those social security numbers and shall return such
information, [including zero wage reports] ~~excluding zero wage
reports,~~ to the department. The department shall compare such
wage reports with earnings reported by recipients, take prompt
action to resolve discrepancies, and shall refer promptly for
investigation any cases of suspected fraud.~~

~~Section 13. The act is amended by adding sections to read:~~

~~Section 432.19. Verification of Eligibility. The department
may issue regulations requiring that certain conditions of
eligibility for assistance be verified prior to authorization of
assistance or during a redetermination of a recipient's
eligibility. Initial authorization of assistance shall not be
delayed more than fifteen days after application for purposes of
verification of eligibility if the applicant has cooperated in
the verification attempt. Except when prohibited by Federal law,
it shall be a condition of eligibility for assistance that an
applicant or recipient consent to the disclosure of information
about the age, residence, citizenship, employment, applications~~

~~for employment, income and resources of the applicant or recipient which is in the possession of third parties. Such consent shall be effective to empower any third party to release information requested by the department. Except in cases of suspected fraud, the department shall attempt to notify the applicant or recipient prior to contacting a third party for information about that applicant or recipient.~~

~~Section 432.20. Prohibition on Grant or Assistance for Moving Costs. The department shall not provide in any manner specific grants or assistance to any person to pay for or offset the cost of such person's moving expenses.~~

~~Section 14. Section 442.1 of the act, added July 31, 1968 (P.L.904, No.273), is amended to read:~~

~~Section 442.1. The Medically Needy; Determination of Eligibility. A person shall be considered medically needy if he:~~

~~(1) Resides in Pennsylvania, regardless of the duration of his residence or his absence therefrom; and~~

~~(2) Meets the standards of financial eligibility established by the department with the approval of the Governor. In establishing these standards the department shall take into account (i) the funds certified by the Budget Secretary as available for medical assistance for the medically needy; (ii) pertinent Federal legislation and regulations; and (iii) the cost of living. Transitionally needy persons who are not eligible for cash assistance by reason of section 432(3)(iii) shall be considered medically needy.~~

~~Section 15. Subsection (c) of section 443.6 of the act, added September 26, 1978 (P.L.769, No.146), is amended to read:~~

~~Section 443.6. Reimbursement for Certain Medical Assistance~~

1 ~~Items and Services.—~~

2 ~~* * *~~

3 ~~(c) The department shall promulgate regulations to implement~~
4 ~~this section and shall establish a procedure for prior~~
5 ~~authorization. Such regulations may establish procedures for~~
6 ~~issuing prior authorization at whatever administrative level the~~
7 ~~department through the secretary deems appropriate.~~
8 ~~Appropriateness shall be determined by the secretary after~~
9 ~~hearings have been held and public input is received. Procedures~~
10 ~~adopted in accordance with this section shall provide~~
11 ~~authorization when appropriate, without undue delay. When no~~
12 ~~decision is made on a request to the department for covered~~
13 ~~services within twenty one days of the date that the request is~~
14 ~~received by the department, the authorization shall be deemed~~
15 ~~approved. The department shall keep a record of those cases in~~
16 ~~which no decision is made within twenty one days.~~

17 ~~Section 16. The act is amended by adding sections to read:~~

18 ~~Section 475. Use of Savings. (a) The department shall~~
19 ~~determine the base year expenditures for general assistance for~~
20 ~~the purpose of this section by multiplying the total cost of~~
21 ~~general assistance cash grants for the months of January,~~
22 ~~February and March of 1981 by four. The department shall~~
23 ~~determine the first year expenditures for general assistance for~~
24 ~~the purpose of this section by multiplying the total cost of~~
25 ~~general assistance cash grants for the months of January,~~
26 ~~February and March of 1982 by four. The department shall~~
27 ~~determine the second year expenditures for general assistance~~
28 ~~for the purpose of this section by multiplying the total cost of~~
29 ~~general assistance cash grants for the months of January,~~
30 ~~February and March of 1983 by four.~~

~~(b) The department shall establish the first year savings for the purpose of this section by subtracting the first year general assistance cash grant expenditures from the base year general assistance cash grant expenditures. The department shall establish the second year savings for the purpose of this section by subtracting the second year general assistance cash grant expenditures from the first year general assistance cash grant expenditures.~~

~~(c) On July 1, 1982 the department shall raise general assistance and aid to families with dependent children allowances so that the cost of the increase in State funds for the purpose of this section over the twelve month period beginning on that date shall be equal to at least seventy five percent of the first year savings. On July 1, 1983, the department shall further raise general assistance and aid to families with dependent children allowances so that the cost of the further increase in State funds for the purpose of this section over the twelve month period beginning on that date shall be equal to at least seventy five percent of the second year savings. That part of the first and second year savings not used for a grant increase shall be used to fund programs which will assist general assistance recipients in obtaining jobs.~~

~~Section 476. Fees for Pharmacy Providers. Pharmacy providers shall be paid the sum of two dollars and seventy five cents (\$2.75) for each prescription filled under the medical assistance program.~~

~~Section 17. Section 481 of the act, amended July 15, 1976 (P.L.993, No.202), is amended to read:~~

~~Section 481. False Statements; Penalty. (a) Any person who, either prior to, or at the time of, or subsequent to the~~

1 ~~application for assistance, by means of a wilfully false~~
2 ~~statement [of] or misrepresentation, or by impersonation, or by~~
3 ~~wilfully failing to disclose a material fact regarding~~
4 ~~eligibility or other fraudulent means, secures, or attempts to~~
5 ~~secure, or aids or abets or attempts to aid or abet any person~~
6 ~~in securing assistance, or Federal food stamps, [under this~~
7 ~~article shall be guilty of a misdemeanor, and, upon conviction~~
8 ~~thereof, shall be sentenced to pay a fine not exceeding one~~
9 ~~thousand dollars (\$1,000), or to undergo imprisonment not~~
10 ~~exceeding one year, or both, and also shall be sentenced to make~~
11 ~~restitution of any moneys he has received by reason of any such~~
12 ~~false statement, misrepresentation, impersonation, or fraudulent~~
13 ~~means] commits a crime which shall be graded as provided in~~
14 ~~subsection (b).~~

15 ~~(b) [Any person who, either prior to or at the time of or~~
16 ~~subsequent to the application for assistance, by means of a~~
17 ~~wilfully false statement or misrepresentation, or by~~
18 ~~impersonation, or other fraudulent means, secures or attempts to~~
19 ~~secure assistance or Federal food stamps not exceeding three~~
20 ~~hundred dollars (\$300) under this article shall, upon conviction~~
21 ~~thereof in a summary proceeding, be sentenced to make~~
22 ~~restitution of such assistance, and to pay a fine of not more~~
23 ~~than two hundred dollars (\$200). When having available~~
24 ~~sufficient means or the ability to acquire such means, wilfull~~
25 ~~failure to make restitution and pay the fine imposed shall~~
26 ~~result in imprisonment not exceeding sixty days.] Any person~~
27 ~~violating subsection (a) commits the grade of crime determined~~
28 ~~from the following schedule:~~

29 ~~Amount of Assistance _____ Degree of Crime~~
30 ~~_____ and/or Food Stamps~~

~~\$3,000 or more~~ Felony of the third degree
~~\$1,500 to \$2,999~~ Misdemeanor of the first degree
~~\$1,000 to \$1,499~~ Misdemeanor of the second degree
~~\$999 and under, or~~
~~the attempt to commit~~
~~any act prohibited~~

~~in subsection (a)~~ Misdemeanor of the third degree

~~(c) [There shall be a four year statute of limitations on all offenses under this section] Any person committing a crime enumerated in subsection (a) shall be ordered to pay restitution of any moneys he has received by reason of any false statement, misrepresentation, impersonation, failure to disclose required information, or fraudulent means. Restitution ordered under this subsection may be paid in a lump sum, by monthly installments or according to such other schedule as is deemed just by the sentencing court. The period of time during which the offender is ordered to make restitution may exceed the maximum term of imprisonment to which the offender could have been sentenced for the crime of which he was convicted, if the sentencing court determines such period to be reasonable and in the interests of justice.~~

~~(d) There shall be a four year statute of limitations on all crimes enumerated in subsection (a).~~

~~Section 18. The act is amended by adding a section to read:~~

~~Section 489. Investigative Powers and Duties. (a) In furtherance of the purposes set forth in this act to prevent, deter, investigate and prosecute persons who have committed or are committing fraud against assistance programs, the department may:~~

~~(1) Conduct investigations of all suspected criminal~~

~~activities related to fraud, misuse or theft of moneys or benefits, or Federal food stamps, committed by persons who are or have been participating in, or administering programs of the department, or by persons who aid or abet others in criminal activity affecting welfare programs.~~

~~(2) Establish an investigations unit which shall have the power and duty to: (i) investigate alleged violations of all criminal statutes related to fraud or other criminal activity connected with assistance programs administered by the department, except that suspected fraud or other criminal activity by medical providers or vendors, will be investigated by State or Federal enforcement units having specific mandated authority; and (ii) work in conjunction with the appropriate prosecuting authorities in the prosecution of cases where it is determined that evidence of criminal activity exists. In the investigation and enforcement of criminal statutes related to fraud or other criminal activity, the staff of the investigations unit shall have the power of law enforcement officers, with the exception of the power of arrest and authority to carry firearms. In the service and execution of search warrants issued by proper authority to investigators of this unit, assistance will be given by the local or State Police, when such assistance is requested.~~

~~(b) The provisions of subsection (a) granting investigative authority to the department shall not prevent or interfere with the jurisdiction exercised by other law enforcement agencies in the investigation of welfare related violations.~~

~~Section 19. Article IV of the act is amended by adding subarticles to read:~~

~~ARTICLE IV~~

PUBLIC ASSISTANCE

* * *

~~(k) Employment Incentive Payments~~

~~Section 491. Employment Incentive Payments. (a) Any corporation employing persons, who prior to their employment were general assistance recipients, shall be entitled to employment incentive payments to be provided as a credit against taxes imposed upon the corporation by Article IV, V, VII, VIII or IX of the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971," or by the act of June 22, 1964 (P.L.16, No.2), known as "The Mutual Thrift Institutions Tax Act" and any person, partnership, or proprietorship employing such persons shall be entitled to payments to be provided as a credit against taxes imposed by Article III of the "Tax Reform Code of 1971." For the purposes of computing any tax liabilities against which the credit may be applied, deductions from taxable income shall be reduced by employment incentive payments. Employment incentive payments unused as a tax credit in any taxable year may be carried over against tax liabilities of the employer in the three immediately subsequent taxable years.~~

~~(b) An employment incentive payment may be claimed by an employer who hires any person classified as chronically or transitionally needy at the time of employment except that payments shall not be provided for:~~

~~(1) The employment of any person who displaces any other individual from employment, except persons discharged for cause as certified by the Office of Employment Security.~~

~~(2) The employment of any person closely related, as defined by paragraphs (1) through (8) of section 152(a) of the Internal Revenue Code, to the taxpayer, or, if the taxpayer is a~~

~~corporation, to an individual who owns, directly or indirectly more than fifty percent of the outstanding stock of the corporation.~~

~~(3) The employment of an individual for whom the employer is simultaneously receiving Federally or State funded job training payments.~~

~~(c) (1) The employment incentive payment shall be the sum of thirty percent of the first six thousand dollars (\$6,000) of qualified first year wages for such year, twenty percent of the first six thousand dollars (\$6,000) of qualified second year wages for such year, and ten percent of the first six thousand dollars (\$6,000) of qualified third year wages for such year.~~

~~(2) Employers who hire persons who are residents of, or provide jobs in, certain geographic areas established by the Department of Public Welfare shall be eligible to receive additional credits equal to twice the amount provided for in this section; these geographic areas shall be established using the following criteria:~~

~~(i) High incidence of unemployment relative to regional, State or National unemployment levels as certified by the Department of Labor and Industry.~~

~~(ii) High incidence of general assistance caseload, as measured by both general assistance caseload relative to population and as measured by length of time persons are carried as general assistance recipients.~~

~~(iii) Areas having thirty percent or more of the population below Federally established levels of poverty income for family size.~~

~~(iv) Municipalities which have experienced a population loss of seven and five tenths percent or more from the 1970 census to~~

1 ~~the 1980 census.~~

2 ~~(3) Total employment incentive payments shall not exceed~~
3 ~~ninety percent of total taxes paid by the employer against which~~
4 ~~the incentive payments may be claimed as a credit. Qualified~~
5 ~~wages must be cash remuneration to the employe, including any~~
6 ~~amounts deducted or withheld.~~

7 ~~(d) To be eligible for employment incentive payments, the~~
8 ~~employment must continue for at least one year unless the~~
9 ~~employe voluntarily leaves the employment of the employer,~~
10 ~~becomes disabled, or is terminated for cause. Employment~~
11 ~~initiated during the year may be claimed as an employment~~
12 ~~incentive payment in the subsequent year.~~

13 ~~(e) The Department of Revenue, in cooperation with the~~
14 ~~Department of Public Welfare, shall administer the provisions of~~
15 ~~this section, promulgate appropriate rules, regulations and~~
16 ~~forms for that purpose, and make such determinations as may be~~
17 ~~required. Determinations made with respect to the tax credit~~
18 ~~provided in this section may be reviewed and appealed in the~~
19 ~~manner provided by law for other corporate or personal tax~~
20 ~~credits.~~

21 ~~(f) The total amount of employment incentive payments~~
22 ~~authorized by this section shall not exceed twenty five million~~
23 ~~dollars (\$25,000,000) in any fiscal year. To insure that credits~~
24 ~~are not claimed in excess of this amount, an employer may claim~~
25 ~~the incentive payments only upon presentation of an authorizing~~
26 ~~certificate. Certificates will be issued to the employe by the~~
27 ~~Department of Public Welfare upon presentation to the Department~~
28 ~~of Public Welfare of evidence of a qualifying offer of~~
29 ~~employment. The Department of Revenue shall advise the~~
30 ~~Department of Public Welfare of the total number of certificates~~

~~which may be issued in each calendar quarter consistent with the limitation on total incentive payments. If an employee does not accept the job for which the certificate is authorized, the certificate shall be returned by the employee to the Department of Public Welfare. If an employee terminates employment for any reason prior to the expiration of two years, the employer shall return the certificate, noting the date of the employee's hiring and termination, to the Department of Revenue. The Department of Public Welfare may issue certificates through the Office of Employment Security and may promulgate regulations to allocate certificates.~~

~~(g) Employment incentive payments shall not be available for employees hired after December 31, 1985, unless reenacted by the General Assembly. Not later than July 1, 1985, the Department of Public Welfare shall report to the General Assembly on the effectiveness of incentive payments to encourage the employment of general assistance recipients and recommend whether the program should be continued. Credits may be claimed against taxes payable for tax years beginning January 1, 1982, and thereafter, and may be claimed for any employee hired after the effective date of this section.~~

~~(1) Priority Employment Services Program~~

~~Section 492. Priority Employment Services Program. (a) The Department of Labor and Industry, through its Office of Employment Security, is hereby authorized to establish and provide special priority services to general assistance recipients above and beyond those currently available and permissible under Federal law, regulation and funding.~~

~~(b) The special priority services authorized by this section shall include, but are not limited to, the provision of job~~

~~counseling, job testing and job readiness services beyond those currently available through Federal authority and an employer outreach program to encourage the employment of general assistance recipients in the private sector and to disseminate information regarding both Federal and State tax credit programs for which general assistance recipients are eligible.~~

~~(m) Employment Opportunities Incentive Grant Program~~

~~Section 493. Employment Opportunities Incentive Grant Program. (a) The Department of Labor and Industry is hereby authorized to make grants to vocational schools, institutions of higher learning, commercial and nonprofit enterprises for the implementation of projects to provide for employment opportunities for welfare recipients. These grants shall:~~

~~(1) support training programs necessary for structurally unemployed persons to obtain and retain bona fide employment;~~

~~(2) develop and implement programs to reduce welfare dependency and chronic unemployment;~~

~~(3) improve and diversify the economic base of communities to increase the number of unsubsidized jobs for the chronically unemployed; and~~

~~(4) support and encourage employment opportunities programs for low income community residents and provide them the opportunity to become self sustaining.~~

~~(b) The Department of Labor and Industry may contract with grantees after:~~

~~(1) Establishing bid requirements and a specific request for proposal.~~

~~(2) Advertising the request for proposal in the Pennsylvania Bulletin and circulating the request for proposal through interested eligible groups.~~

~~(3) Bids shall be opened in a public meeting with all potential vendors notified.~~

~~(4) Bids shall be evaluated by the department.~~

~~(c) Prior to the awarding of a grant the Department of Labor and Industry shall submit a copy of the request for a proposal and the bid application of the prospective grantee or prospective grantees to the Chairman of the Health and Welfare Committee of the House of Representatives and the Chairman of the Public Health and Welfare Committee of the Senate.~~

~~(d) Projects receiving grants under this section shall demonstrate the following:~~

~~(1) Linkage with and participation of the county boards of assistance.~~

~~(2) Provisions for support services such as remedial and career education, academic education, counseling, in service training and job based curriculums.~~

~~(3) Demonstrate that funding would result in the creation of permanent private job opportunities.~~

~~(4) Demonstrate previous capability to administer programs of this nature.~~

~~(e) The Department of Labor and Industry, in order to effectuate and enforce the provisions of this section, shall promulgate necessary rules and regulations and prescribe conditions and procedures in order to assure compliance with this section.~~

~~(f) Grants under this section will be available through December 31, 1985, unless reenacted by the General Assembly. The Department of Labor and Industry shall report to the General Assembly on the effectiveness of the Employment Opportunities Incentive Grant Program annually. The annual report shall~~

~~include, but not be limited to, the cost incurred by the department to administer the program, the number and the type of unsubsidized jobs made available as a result of the program, the number of welfare recipients removed from the welfare rolls as a result of the program and the projected savings to the Department of Public Welfare as a result of the program.~~

~~Section 20. (1) The department shall carry out or fund an evaluation of the economic and social impact of the amendments herein to section 432 of the act and provide that evaluation to the General Assembly by July 1, 1984.~~

~~(2) Performance Audit. The department shall conduct performance audits of the Community Work Program on an annual basis. The initial performance audit shall commence no later than one year from the effective date of this act and the results shall be reported to the General Assembly no later than eighteen months from the effective date of this act. The results of all performance audits shall be reported to each member of the General Assembly. In the department's annual report to the General Assembly, each performance audit of the Community Work Program shall include an analysis of program costs, an evaluation of program effectiveness, and an evaluation as to how the program affects participating agencies.~~

~~Section 21. Notwithstanding any other provision of law except as expressly prohibited by Federal law as applied to any particular individual, all Comprehensive Employment and Training Act programs shall give first priority to the transitionally needy and the chronically needy.~~

~~Section 22. This act shall take effect in 120 days.~~

SECTION 1. CLAUSE (2) OF SECTION 201, ACT OF JUNE 13, 1967

(P.L.31, NO.21), KNOWN AS THE "PUBLIC WELFARE CODE," IS AMENDED

1 TO READ:

2 SECTION 201. STATE PARTICIPATION IN COOPERATIVE FEDERAL
3 PROGRAMS.--THE DEPARTMENT SHALL HAVE THE POWER:

4 * * *

5 (2) WITH THE APPROVAL OF THE GOVERNOR, TO DEVELOP AND SUBMIT
6 STATE PLANS OR OTHER PROPOSALS TO THE FEDERAL GOVERNMENT, TO
7 PROMULGATE REGULATIONS, ESTABLISH AND ENFORCE STANDARDS AND TO
8 TAKE SUCH OTHER MEASURES AS MAY BE NECESSARY TO RENDER THE
9 COMMONWEALTH ELIGIBLE FOR AVAILABLE FEDERAL FUNDS OR OTHER
10 ASSISTANCE. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE ACT
11 OF JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE
12 COMMONWEALTH DOCUMENTS LAW, THE DEPARTMENT MAY OMIT NOTICE OF
13 PROPOSED RULEMAKING AND PROMULGATE REGULATIONS AS FINAL WHEN
14 DELAY IN THE FINAL ADOPTION OF REGULATIONS MAY WILL RESULT IN <—
15 THE LOSS OF FEDERAL FUNDS OR WHEN DELAY IN ADOPTION WOULD
16 REQUIRE THE REPLACEMENT OF FEDERAL FUNDS WITH STATE FUNDS.

17 * * *

18 SECTION 2. ~~SUBSECTION~~ THE SECTION HEADING AND SUBSECTION (A) <—
19 OF SECTION 405.1 OF THE ACT, ADDED JULY 15, 1976 (P.L.993,
20 NO.202), ~~IS~~ ARE AMENDED TO READ: <—

21 SECTION 405.1. [PENNSYLVANIA EMPLOYABLES PROGRAM] WORK <—
22 REGISTRATION.--(A) EVERY INDIVIDUAL, WITHIN TEN DAYS AFTER
23 ESTABLISHING ELIGIBILITY FOR PUBLIC ASSISTANCE, AS A CONDITION
24 OF CONTINUING ELIGIBILITY FOR AID TO FAMILIES WITH DEPENDENT
25 CHILDREN OR GENERAL ASSISTANCE, SHALL REGISTER IN ACCORDANCE
26 WITH REGULATIONS OF THE DEPARTMENT FOR EMPLOYMENT, TRAINING AND
27 MANPOWER SERVICES, UNLESS SUCH INDIVIDUAL IS:

28 (1) A CHILD WHO IS [ATTENDING SCHOOL OR COLLEGE OR AN
29 APPROVED PROGRAM OF VOCATIONAL TRAINING ON A FULL-TIME BASIS OR
30 WHO IS] UNDER THE AGE OF SIXTEEN OR IS ATTENDING FULL TIME, AN

1 ELEMENTARY, SECONDARY OR VOCATIONAL (OR TECHNICAL) SCHOOL;
2 (2) ILL OR INCAPACITATED;
3 (3) SO REMOTE FROM A REGISTRATION SECURITY OFFICE THAT
4 EFFECTIVE PARTICIPATION IN EMPLOYMENT AND TRAINING COUNSELING IS
5 PRECLUDED;
6 (4) REQUIRED TO BE PRESENT IN THE HOME BECAUSE OF ILLNESS OR
7 INCAPACITY OF ANOTHER MEMBER OF THE HOUSEHOLD;
8 (5) THE [MOTHER] PARENT OR OTHER RELATIVE OF A CHILD UNDER
9 THE AGE OF SIX WHO IS [CARING] PERSONALLY PROVIDING CARE FOR THE
10 CHILD WITH ONLY VERY BRIEF AND INFREQUENT ABSENCES FROM THE
11 CHILD;
12 (6) THE [MOTHER] PARENT OR OTHER CARETAKER OF A CHILD IF
13 [THE FATHER OR] ANOTHER ADULT [MALE] RELATIVE IS IN THE HOME AND
14 NOT EXCLUDED FROM THE REQUIREMENT TO REGISTER, UNLESS SUCH OTHER
15 ADULT [MALE] RELATIVE HAS FAILED TO REGISTER AS HEREIN REQUIRED
16 OR HAS REFUSED WITHOUT GOOD CAUSE TO ACCEPT EMPLOYMENT OR TO
17 PARTICIPATE IN WORK EXPERIENCE OR TRAINING;
18 [(7) THE MOTHER OR OTHER CARETAKER OF A CHILD BETWEEN THE
19 AGES OF SIX AND FOURTEEN, UNLESS THERE ARE ADEQUATE CHILD CARE
20 ARRANGEMENTS FOR THE CHILD;
21 (8)] (7) ACTIVELY PARTICIPATING IN THE FEDERAL WORK
22 INCENTIVE PROGRAM OR WAS CERTIFIED TO SAID PROGRAM WITHIN THE
23 PREVIOUS SIX MONTHS; [OR]
24 [(9)] (8) EMPLOYED FULL TIME[.]; OR
25 (9) THE PARENT OF A CHILD WHO IS DEPRIVED OF PARENTAL
26 SUPPORT OR CARE BY REASON OF THE UNEMPLOYMENT OF A PARENT, IF
27 THE OTHER PARENT (WHO IS THE PRINCIPAL WAGE EARNER, AS DEFINED
28 BY THE DEPARTMENT CONSISTENT WITH FEDERAL LAW AND REGULATIONS)
29 IS NOT EXCLUDED BY THE PRECEDING PARAGRAPHS OF THIS SUBSECTION.

30 * * *

SECTION 3. SECTION 423 OF THE ACT, REPEALED IN PART APRIL 28, 1978 (P.L.202, NO.53), IS AMENDED TO READ:

SECTION 423. HEARING APPEALS OF RECIPIENTS.--(A) EACH COUNTY BOARD SHALL HEAR AND DETERMINE APPEALS FROM ACTIONS OF ITS EMPLOYEES AFFECTING THE RIGHTS OF THOSE APPLYING FOR OR RECEIVING ASSISTANCE. ANY PERSON APPLYING FOR OR RECEIVING ASSISTANCE OF ANY TYPE COVERED BY THE PUBLIC ASSISTANCE PROVISIONS OF THE FEDERAL SOCIAL SECURITY ACT, MAY APPEAL TO THE DEPARTMENT FROM ANY DECISION OF THE COUNTY BOARD, REFUSING OR DISCONTINUING HIS ASSISTANCE, IN WHOLE OR IN PART. IN EVERY SUCH APPEAL, AN OPPORTUNITY FOR A FAIR HEARING SHALL BE GRANTED, AND THE DECISION OF THE DEPARTMENT ON SUCH APPEAL SHALL BE FINAL, EXCEPT AS OTHERWISE HEREINAFTER PROVIDED. ALL SUCH APPEALS SHALL BE IN ACCORDANCE WITH RULES AND REGULATIONS ESTABLISHED BY THE DEPARTMENT. [ALL APPEALS FROM THE COUNTY BOARD TO THE DEPARTMENT OR FROM THE DEPARTMENT OR COUNTY BOARD TO THE COURT SHALL OPERATE AS A SUPERSEDEAS OF ANY ORDER OF THE COUNTY BOARD OR DEPARTMENT IN ALL CASES WHERE THE APPELLANT IS ALREADY RECEIVING ASSISTANCE.]

(B) NOTWITHSTANDING ANYTHING TO THE CONTRARY IN TITLE 2 OF THE PENNSYLVANIA CONSOLIDATED STATUTES (RELATING TO ADMINISTRATIVE LAW AND PROCEDURE), THE DEPARTMENT MAY MAKE AN ADJUDICATION SOLELY ON THE BASIS OF WRITTEN SUBMISSIONS IF THE SOLE QUESTION PRESENTED BY THE APPELLANT IS ONE OF STATE OR FEDERAL LAW.

SECTION 4. THE INTRODUCTORY PARAGRAPH AND CLAUSE (3) OF SECTION 432 OF THE ACT, AMENDED APRIL 1, 1976 (P.L.64, NO.280), ARE AMENDED AND A CLAUSE IS ADDED TO READ:

SECTION 432. ELIGIBILITY.--EXCEPT AS HEREINAFTER OTHERWISE PROVIDED, AND SUBJECT TO THE RULES, REGULATIONS, AND STANDARDS

1 ESTABLISHED BY THE DEPARTMENT, BOTH AS TO ELIGIBILITY FOR
2 ASSISTANCE AND AS TO ITS NATURE AND EXTENT, NEEDY PERSONS OF THE
3 CLASSES DEFINED IN CLAUSES (1), (2), [(2)(I) AND (2)(II)] AND
4 (3) SHALL BE ELIGIBLE FOR ASSISTANCE:

5 * * *

6 (3) OTHER PERSONS WHO ARE CITIZENS OF THE UNITED STATES, OR
7 LEGALLY ADMITTED ALIENS. INDIVIDUALS UNDER AGE TWENTY-ONE SHALL
8 ONLY BE ELIGIBLE AS MEMBERS OF A FAMILY UNIT INCLUDING A <—
9 CARETAKER RELATIVE UNLESS SUCH INDIVIDUALS ARE (I) MARRIED,
10 DIVORCED OR SEPARATED; (II) SELF-SUPPORTING FOR A MINIMUM OF
11 TWELVE CONSECUTIVE MONTHS; OR (III) MAINTAINING A SEPARATE
12 RESIDENCE UNDER THE AUSPICES OF THE COUNTY CHILDREN AND YOUTH
13 SOCIAL SERVICE AGENCY.

14 * * *

15 (6) IN ACCORDANCE WITH FEDERAL LAW AND REGULATIONS, AID TO
16 FAMILIES WITH DEPENDENT CHILDREN SHALL NOT BE PAID TO ANY FAMILY
17 FOR ANY MONTH IN WHICH ANY CARETAKER RELATIVE WITH WHOM THE
18 CHILD IS LIVING IS, ON THE LAST DAY OF SUCH MONTH, PARTICIPATING
19 IN A STRIKE, AND NO INDIVIDUAL'S NEEDS SHALL BE INCLUDED IN
20 DETERMINING THE AMOUNT OF AID PAYABLE FOR ANY MONTH TO A FAMILY
21 IF, ON THE LAST DAY OF SUCH MONTH, SUCH INDIVIDUAL IS
22 PARTICIPATING IN A STRIKE. GENERAL ASSISTANCE SHALL NOT BE PAID
23 TO ANY INDIVIDUAL OR FAMILY FOR ANY MONTH IN WHICH THE
24 INDIVIDUAL OR ANY CARETAKER RELATIVE WITH WHOM THE CHILD IS
25 LIVING IS, ON THE LAST DAY OF SUCH MONTH, PARTICIPATING IN A
26 STRIKE AND NO INDIVIDUAL'S NEEDS SHALL BE INCLUDED IN
27 DETERMINING THE AMOUNT OF AID PAYABLE FOR ANY MONTH TO AN
28 INDIVIDUAL OR FAMILY IF, ON THE LAST DAY OF SUCH MONTH, SUCH
29 INDIVIDUAL IS PARTICIPATING IN A STRIKE.

30 SECTION 5. SUBSECTION (B) OF SECTION 432.2 OF THE ACT, ADDED

1 JULY 15, 1976 (P.L.993, NO.202), IS AMENDED TO READ:

2 SECTION 432.2. DETERMINATION OF ELIGIBILITY.--* * *

3 (B) AS A CONDITION OF ELIGIBILITY[, AN] FOR ASSISTANCE, ALL
4 APPLICANTS AND RECIPIENTS OF ASSISTANCE SHALL COOPERATE WITH THE
5 DEPARTMENT IN PROVIDING AND VERIFYING INFORMATION NECESSARY FOR
6 THE DEPARTMENT TO DETERMINE INITIAL OR CONTINUED ELIGIBILITY IN
7 ACCORDANCE WITH THE PROVISIONS OF THIS ACT. AN INDIVIDUAL
8 APPLYING FOR ASSISTANCE SHALL COMPLETE AN APPLICATION CONTAINING
9 [A WRITTEN DECLARATION OF] SUCH INFORMATION REQUIRED TO
10 ESTABLISH ELIGIBILITY AND AMOUNT OF GRANT. THE APPLICATION SHALL
11 INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING INFORMATION:

12 (1) NAMES OF ALL PERSONS TO RECEIVE AID;
13 (2) BIRTH DATES OF ALL PERSONS TO RECEIVE AID;
14 (3) SOCIAL SECURITY NUMBERS OF ALL PERSONS TO RECEIVE AID,
15 OR PROOF OF APPLICATION FOR SUCH SOCIAL SECURITY NUMBER;
16 (4) PLACE OF RESIDENCE FOR ALL PERSONS TO RECEIVE AID;
17 (5) THE NAMES OF ANY LEGALLY RESPONSIBLE RELATIVE LIVING
18 IN THE HOME;
19 (6) ANY INCOME OR RESOURCES AS DEFINED IN THIS ACT OR IN
20 REGULATIONS PROMULGATED PURSUANT TO THIS ACT.

21 THE DEPARTMENT SHALL PROVIDE ASSISTANCE AS NEEDED TO COMPLETE
22 THE APPLICATION AND SHALL INSURE THAT ALL APPLICANTS OR
23 RECIPIENTS HAVE OR PROMPTLY OBTAIN A SOCIAL SECURITY NUMBER.

24 * * *

25 SECTION 6. SUBSECTION (C) OF SECTION 432.5 OF THE ACT, ADDED
26 JULY 15, 1976 (P.L.993, NO.202), IS AMENDED TO READ:

27 SECTION 432.5. LIMITS ON PROPERTY HOLDINGS.--* * *

28 (C) [PERSONAL] OTHER PROPERTY IN EXCESS OF EITHER A COMBINED
29 AMOUNT OF TWO HUNDRED FIFTY DOLLARS (\$250) FOR THE FIRST PERSON
30 IN THE ASSISTANCE UNIT AND ONE HUNDRED DOLLARS (\$100) FOR EACH

1 ADDITIONAL PERSON IN THE ASSISTANCE UNIT OR A TOTAL OF ONE
2 THOUSAND DOLLARS (\$1,000) FOR THE ASSISTANCE UNIT, WHICHEVER IS
3 LESS, SHALL BE CONSIDERED AN AVAILABLE RESOURCE. [EXCEPT AS
4 FOLLOWS:] THE FOLLOWING ITEMS SHALL NOT BE CONSIDERED AN
5 AVAILABLE RESOURCE, UNLESS SUCH CONSIDERATION IS REQUIRED UNDER
6 FEDERAL LAW OR REGULATION:

7 (1) WEDDING AND ENGAGEMENT RINGS, FAMILY HEIRLOOMS, CLOTHING
8 AND CHILDREN'S TOYS.

9 (2) HOUSEHOLD FURNISHINGS, PERSONAL EFFECTS AND OTHER ITEMS
10 USED TO PROVIDE, EQUIP, AND MAINTAIN A HOUSEHOLD FOR THE
11 APPLICANT AND RECIPIENT OR OTHER ITEMS ESSENTIAL TO DAY-TO-DAY
12 LIVING AS THE DEPARTMENT MAY PRESCRIBE BY REGULATION.

13 (3) EQUIPMENT AND MATERIAL WHICH ARE NECESSARY TO IMPLEMENT
14 EMPLOYMENT, REHABILITATION, OR SELF CARE PLAN FOR THE APPLICANT
15 OR RECIPIENT.

16 (4) [MOTOR VEHICLES.] A MOTOR VEHICLE WITH AN EQUITY VALUE
17 THAT DOES NOT EXCEED LIMITS AS THE DEPARTMENT MAY ESTABLISH BY
18 REGULATION.

19 [(5) SAVINGS OF SCHOOL CHILDREN UP TO TWO THOUSAND DOLLARS
20 (\$2,000) FOR EACH CHILD.

21 (6)] (5) RETROACTIVE ASSISTANCE PAYMENTS RECEIVED AS A
22 RESULT OF A PREHEARING CONFERENCE OR A FAIR HEARING DECISION.

23 [(7) LIFE INSURANCE WITH A CASH VALUE NOT IN EXCESS OF ONE
24 THOUSAND DOLLARS (\$1,000).]

25 * * *

26 SECTION 7. SECTION 432.10 OF THE ACT IS REPEALED.

27 SECTION 8. SUBSECTIONS (A) AND (C) OF SECTION 432.12 OF THE
28 ACT, ADDED JULY 15, 1976 (P.L.993, NO.202), ARE AMENDED TO READ:

29 SECTION 432.12. DETERMINATION OF [INCOME] NEED.--(A) (1)
30 IN ACCORDANCE WITH FEDERAL LAW AND REGULATIONS THE DEPARTMENT

1 SHALL, IN DETERMINING NEED FOR AID TO FAMILIES WITH DEPENDENT
2 CHILDREN, TAKE INTO CONSIDERATION THE INCOME, EXCLUDING [THAT
3 AMOUNT EQUAL TO THE EXPENSES REASONABLY ATTRIBUTABLE TO THE
4 EARNING OF INCOME] THE AMOUNTS REQUIRED TO BE DEDUCTED OR
5 EXCLUDED BY FEDERAL LAW OR REGULATIONS, OF ALL MEMBERS OF THE
6 ASSISTANCE UNIT [WHO ARE FOURTEEN YEARS OF AGE OR OLDER].

7 (2) IN DETERMINING NEED FOR GENERAL ASSISTANCE, THE
8 DEPARTMENT SHALL TAKE INTO CONSIDERATION ALL INCOME, EXCLUDING
9 THAT AMOUNT EQUAL TO THE EXPENSES REASONABLY ATTRIBUTABLE TO THE
10 EARNING OF INCOME UP TO TWENTY-FIVE DOLLARS (\$25) PER MONTH, OF
11 ALL MEMBERS OF THE ASSISTANCE UNIT WHO ARE FOURTEEN YEARS OF AGE
12 OR OLDER. IN ADDITION TO SAID WORK RELATED EXPENSES, A WORK
13 INCENTIVE EQUAL TO THE FIRST TWENTY DOLLARS (\$20) PLUS FIFTY
14 PERCENT OF THE NEXT SIXTY DOLLARS (\$60) [SHALL] MAY BE DEDUCTED
15 FROM THE GROSS MONTHLY WAGES OF EACH EMPLOYED RECIPIENT OF
16 GENERAL ASSISTANCE FOR ANY OR ALL MONTHS AS PRESCRIBED BY THE
17 DEPARTMENT. THE GENERAL ASSISTANCE GRANT SHALL BE COMPUTED ON
18 THE REMAINDER.

19 * * *

20 (C) [TO BE CONSIDERED IN ESTABLISHING FINANCIAL ELIGIBILITY
21 AND THE AMOUNT OF THE ASSISTANCE PAYMENT, INCOME MUST BE
22 ACTUALLY AVAILABLE FOR CURRENT USE BY THE APPLICANT OR
23 RECIPIENT. IN ACCORDANCE WITH FEDERAL LAW AND REGULATIONS, THE]
24 IN ESTABLISHING FINANCIAL ELIGIBILITY AND THE AMOUNT OF THE
25 ASSISTANCE PAYMENT IN BOTH THE AID TO FAMILIES WITH DEPENDENT
26 CHILDREN PROGRAM AND THE GENERAL ASSISTANCE PROGRAM, THE
27 DEPARTMENT MAY CONSIDER THE INCOME OF CERTAIN INDIVIDUALS AS IF
28 IT WERE ACTUALLY AVAILABLE TO OTHER HOUSEHOLD MEMBERS
29 NOTWITHSTANDING THE FACT THAT THE INCOME MAY NOT BE ACTUALLY
30 AVAILABLE TO OTHER HOUSEHOLD MEMBERS AND SHALL CONSIDER SUCH

INCOME IN A MANNER CONSISTENT WITH FEDERAL LAW OR REGULATIONS
FOR THE AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM. INCOME
OF STEPPARENTS LIVING IN A HOUSEHOLD SHALL BE CONSIDERED
AVAILABLE TO THE HOUSEHOLD BY THE DEPARTMENT. THE DEPARTMENT MAY
CHOOSE TO CONSIDER INCOME ON EITHER A PROSPECTIVE OR
RETROSPECTIVE BASIS IN DETERMINING ELIGIBILITY AND THE AMOUNT OF
THE ASSISTANCE PAYMENT. THE APPLICANT OR RECIPIENT SHALL[,
HOWEVER,] AS A NECESSARY CONDITION OF ELIGIBILITY:

(1) PROVIDE ALL INFORMATION NECESSARY TO INCOME
DETERMINATION; AND

(2) TAKE ALL ACTIONS NECESSARY TO OBTAIN UNCONDITIONALLY
AVAILABLE INCOME INCLUDING APPLYING FOR UNEMPLOYMENT
COMPENSATION TO THE EXTENT PERMITTED BY FEDERAL LAW. INCOME
SHALL BE CONSIDERED UNCONDITIONALLY AVAILABLE IF THE APPLICANT
OR RECIPIENT HAS ONLY TO CLAIM OR ACCEPT SUCH INCOME, INCLUDING
ANY TYPE OF GOVERNMENTAL BENEFITS, SOCIAL INSURANCE, PRIVATE
PENSION OR BENEFITS PLAN, OR OFFERS OF PRIVATE CONTRIBUTIONS,
INCLUDING CONTRIBUTIONS FROM RELATIVES NOT IN THE NATURE OF
DISASTER RELIEF.

SECTION 9. SECTION 432.16 OF THE ACT, ADDED JULY 15, 1976
(P.L.993, NO.202), IS AMENDED TO READ:

SECTION 432.16. RECOUPMENT OF PRIOR OVERPAYMENTS AND
RETROACTIVE CORRECTION OF UNDERPAYMENTS.--[(A) IN ACCORDANCE
WITH FEDERAL LAW AND REGULATIONS, THE DEPARTMENT SHALL ESTABLISH
PROCEDURES FOR RECOUPMENT OF PRIOR OVERPAYMENTS CAUSED BY THE
RECIPIENT'S WILFULL WITHHOLDING OF INFORMATION CONCERNING HIS
INCOME, RESOURCES, OR OTHER CIRCUMSTANCES WHICH MAY AFFECT THE
AMOUNT OF PAYMENT, PROVIDED THAT:

(1) THE AMOUNT OF OVERPAYMENTS RECOUPED SHALL BE LIMITED TO
OVERPAYMENTS MADE DURING THE TWELVE MONTHS PRECEDING THE MONTH

1 IN WHICH THE OVERPAYMENT WAS DISCOVERED: PROVIDED, HOWEVER, THAT
2 WHERE THE OVERPAYMENT WAS CAUSED BY THE RECIPIENT'S WILFULL
3 WITHHOLDING OF INFORMATION REGARDING HIS INCOME OR RESOURCES,
4 RECOUPMENT SHALL BE PERMITTED FOR OVERPAYMENTS MADE DURING THE
5 TWENTY-FOUR MONTHS PRECEDING THE MONTH IN WHICH THE OVERPAYMENT
6 WAS DISCOVERED.

7 (2) THE RECOUPMENT OF OVERPAYMENTS MAY BE MADE (I) FROM
8 INCOME OR RESOURCES, EXCLUSIVE OF THE CURRENT ASSISTANCE
9 PAYMENT, WHICH ARE CURRENTLY AVAILABLE TO THE RECIPIENT IN THE
10 AMOUNT BY WHICH THE DEPARTMENT PROPOSES TO REDUCE PAYMENTS; OR
11 (II) FROM CURRENT ASSISTANCE PAYMENTS. IF RECOUPMENTS ARE MADE
12 FROM CURRENT ASSISTANCE PAYMENTS, THE DEPARTMENT SHALL, ON A
13 CASE-BY-CASE BASIS, LIMIT THE PROPORTION OF SUCH PAYMENTS THAT
14 MAY BE DEDUCTED IN EACH CASE, SO AS NOT TO CAUSE UNDUE HARDSHIP
15 ON RECIPIENTS.

16 (3) IN NO EVENT, SHALL THE GRANT OF A NEEDY CHILD BE REDUCED
17 UNLESS THE PARENTS OR OTHER RESPONSIBLE PERSONS HAVE SUFFICIENT
18 AVAILABLE INCOME OR RESOURCES TO MEET THE NEEDS OF THE DEPENDENT
19 CHILD ACCORDING TO DEPARTMENT STANDARDS DURING THE PERIOD OF
20 REDUCTION.

21 (4) THE DEPARTMENT SHALL, PRIOR TO EFFECTING ANY REDUCTION
22 OF A CURRENT GRANT, ADVISE THE RECIPIENT OF THE PROPOSED
23 REDUCTION BY TIMELY AND ADEQUATE NOTICE.

24 (B) THE DEPARTMENT SHALL BE PERMITTED TO RECOUP OVERPAYMENTS
25 IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION (A) CONCURRENT
26 WITH A SUIT FOR RESTITUTION PROVIDED THAT THE EXTENT OF
27 LIABILITY FOR RESTITUTION SHALL BE REDUCED BY THE AMOUNT OF
28 OVERPAYMENTS RECOUPED.

29 (C) THE DEPARTMENT SHALL, IN ACCORDANCE WITH FEDERAL
30 REGULATIONS, ESTABLISH PROCEDURES FOR RETROACTIVE CORRECTION OF

1 UNDERPAYMENTS CAUSED BY ADMINISTRATIVE ERROR PROVIDED THAT:

2 (1) RETROACTIVE CORRECTIVE PAYMENTS SHALL BE LIMITED TO THE
3 TWELVE MONTHS PRECEDING THE MONTH IN WHICH THE UNDERPAYMENT
4 FIRST BECOMES KNOWN TO THE DEPARTMENT;

5 (2) RETROACTIVE PAYMENTS TO CORRECT IMPROPER DENIAL OF
6 ASSISTANCE SHALL BE MADE FOR UP TO TWELVE MONTHS PRIOR TO THE
7 MONTH IN WHICH THE ERROR FIRST BECOMES KNOWN TO THE DEPARTMENT,
8 BUT IN NO CASE EARLIER THAN THE DATE OF APPLICATION;

9 (3) FOR THE PURPOSES OF DETERMINING CONTINUED ELIGIBILITY
10 AND THE AMOUNT OF ASSISTANCE, SUCH RETROACTIVE CORRECTIVE
11 PAYMENTS SHALL NOT BE CONSIDERED AS INCOME OR AS A RESOURCE IN
12 THE MONTH IN WHICH PAID NOR IN THE NEXT FOLLOWING MONTH; AND

13 (4) NO RETROACTIVE PAYMENT NEED BE MADE WHERE THE
14 ADMINISTRATIVE COST WOULD EXCEED THE AMOUNT OF SUCH PAYMENT.]
15 CONSISTENT WITH FEDERAL LAW AND REGULATIONS, THE DEPARTMENT
16 SHALL ESTABLISH PROCEDURES FOR THE RECOUPMENT OF PRIOR
17 OVERPAYMENTS AND THE CORRECTION OF UNDERPAYMENTS.

18 SECTION 10. THE HEADING OF SUBDIVISION (G) OF ARTICLE IV OF
19 THE ACT IS AMENDED TO READ:

20 ARTICLE IV

21 PUBLIC ASSISTANCE

22 * * *

23 (G) SPECIAL PROVISIONS RESPECTING [MEDICAL] ASSISTANCE

24 * * *

25 SECTION 11. SECTION 451 OF THE ACT, AMENDED JULY 9, 1976
26 (P.L.933, NO.202), IS AMENDED TO READ:

27 SECTION 451. CONFORMITY WITH FEDERAL LEGISLATION.--(A)
28 NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE DEPARTMENT, WITH
29 THE APPROVAL OF THE GOVERNOR, MAY BY REGULATION, MODIFY
30 CONDITIONS OF ELIGIBILITY FOR ASSISTANCE, GRANT ASSISTANCE TO

1 ANY PERSONS, MODIFY OR DISCONTINUE ANY TYPE OF ASSISTANCE AND
2 ESTABLISH NEW TYPES OF ASSISTANCE IN ORDER TO INSURE RECEIPT OF
3 FEDERAL CONTRIBUTIONS FOR SUCH ASSISTANCE OR IN CASES WHERE
4 FEDERAL CONTRIBUTIONS HAVE BEEN WITHDRAWN. †ANY SUCH REGULATION <—
5 SHALL BE VOID AT THE END OF THE REGULAR SESSION OF THE GENERAL
6 ASSEMBLY HELD DURING THE ODD-NUMBERED YEAR NEXT FOLLOWING THE
7 ADOPTION OF THE REGULATION.‡ <—

8 (B) IN THE EVENT OF A CONFLICT BETWEEN STATE AND FEDERAL LAW
9 OR REGULATIONS PERTAINING TO ASSISTANCE PROGRAMS FUNDED WHOLLY
10 OR IN PART BY THE FEDERAL GOVERNMENT, FEDERAL LAW AND
11 REGULATIONS SHALL PREVAIL OVER STATE LAW AND REGULATIONS
12 WHENEVER NECESSARY TO PREVENT THE LOSS OR POSSIBLE LOSS OF <—
13 FEDERAL FUNDS OR WHEN A CONFLICT BETWEEN STATE AND FEDERAL LAW
14 OR REGULATIONS WOULD REQUIRE THE REPLACEMENT OF FEDERAL FUNDS
15 WITH STATE FUNDS.

16 SECTION 12. IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT
17 ANY NET SAVINGS IN EXPENDITURES OF STATE FUNDS FOR
18 ADMINISTRATION AND FOR CASH GRANTS IN THE AID TO FAMILIES WITH
19 DEPENDENT CHILDREN AND GENERAL ASSISTANCE PROGRAMS WHICH ARE
20 GENERATED AS A RESULT OF CONFORMING STATE LAW AND REGULATION TO
21 FEDERAL REQUIREMENTS FOR THOSE PROGRAMS SHALL BE USED TO
22 MAINTAIN OR IMPROVE BENEFITS TO INDIVIDUALS ON PUBLIC
23 ASSISTANCE.

24 SECTION 13. EFFECTIVE NO LATER THAN JUNE 1, 1982, THE
25 DEPARTMENT OF PUBLIC WELFARE SHALL RAISE THE ASSISTANCE STANDARD
26 FOR ASSISTANCE UNITS OF THREE OR MORE PERSONS BY AT LEAST 8% AND
27 MAKE ASSISTANCE PAYMENTS IN ACCORDANCE WITH 100% OF THE
28 INCREASED STANDARD: PROVIDED, HOWEVER, THAT IF THE SECRETARY OF <—
29 BUDGET AND ADMINISTRATION, THE CHAIRMAN OF THE SENATE
30 APPROPRIATIONS COMMITTEE AND THE CHAIRMAN OF THE APPROPRIATIONS

1 COMMITTEE OF THE HOUSE OF REPRESENTATIVES, SHALL CERTIFY JOINTLY
2 THAT ADEQUATE FUNDS ARE NOT AVAILABLE TO PERMIT SUCH INCREASE OF
3 THE ASSISTANCE STANDARD, THE INCREASE AUTHORIZED HEREIN SHALL
4 NOT BECOME EFFECTIVE AND PAYMENTS WILL BE MADE AS HERETOFORE.
5 THE ~~DEPARTMENT~~ SECRETARY OF PUBLIC WELFARE WITH THE CONCURRENCE <—
6 OF THE SECRETARY OF BUDGET AND ADMINISTRATION, THE CHAIRMAN OF
7 THE SENATE APPROPRIATIONS COMMITTEE AND THE CHAIRMAN OF THE
8 APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES SHALL
9 SELECT AN EARLIER PAYMENT PERIOD FOR THE IMPLEMENTATION OF THE
10 GRANT INCREASE IF THAT WILL NOT CAUSE THE DEPARTMENT OF PUBLIC
11 WELFARE TO ~~INCUR STATE FUND COSTS IN EXCESS OF THE AMOUNT SAVED~~ <—
12 ~~IN THE FISCAL YEAR ENDING JUNE 30, 1982 AS A CONSEQUENCE OF THE~~
13 ~~AMENDMENTS TO THE PUBLIC WELFARE CODE EFFECTED BY THIS ACT.~~
14 EXPEND STATE FUNDS IN EXCESS OF AVAILABLE APPROPRIATIONS OR <—
15 CREATE A NEED FOR A DEFICIENCY APPROPRIATION.
16 Section ~~12~~ 14. The provisions of this act are severable, and <—
17 if any of its provisions, or the application thereof to any
18 person or circumstance, is held invalid by the court, the
19 remaining provisions of this act and the application of such
20 provisions to other persons or circumstances, shall not be
21 affected and shall be given the full force and effect of law, as
22 if the invalid provisions had been omitted from this act.
23 Section ~~13~~ 15. This act shall take effect immediately. <—