

PUBLIC WELFARE CODE - OMNIBUS AMENDMENTS

Act of May. 16, 1996, P.L. 175, No. 35

Cl. 67

Session of 1996

No. 1996-35

SB 1441

AN ACT

Amending the act of June 13, 1967 (P.L.31, No.21), entitled "An act to consolidate, editorially revise, and codify the public welfare laws of the Commonwealth," further providing for legislative intent, for definitions, for uniform administration of assistance, for community work and training regulations, for work registration and for administrative duties and personal obligations; providing for grant diversion; further providing for special needs and self-sufficiency, for eligibility, for voluntary termination of employment, for identification and proof of residence, for limits on property holdings, for support from legally responsible relatives, for paternity determinations and support enforcement, for protective payments, for determination of need and for eligibility verification; providing for aliens and for diminished welfare payments; further providing for medical eligibility; providing for medical assistance deductibles and for medical assistance pharmacy services; further providing for penalties; making appropriations; imposing duties upon the Department of Public Welfare; and making repeals.

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

Section 1. Section 401 of the act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code, amended June 16, 1994 (P.L.319, No.49), is amended to read:

Section 401. Legislative Intent.--(a) It is hereby declared to be the legislative intent to promote the [welfare and happiness] **self-sufficiency** of all the people of the Commonwealth[, by providing public assistance to all of its needy and distressed; that assistance shall be administered promptly and humanely with due regard for the preservation of family life, and without discrimination on account of race, religion or political affiliation; and that assistance shall be administered in such a way and manner as to encourage self-respect, self-dependency and the desire to be a good citizen and useful to society].

(b) It is further declared to be the legislative intent that no recipient of cash or medical [benefits] **assistance** shall be entitled to indefinite [government support] **cash or medical assistance** unless it can be established that:

(1) the person is permanently disabled and unable to work;
or

(2) the person is required to be in the home full time to care for a dependent adult or child who requires constant attention and supervision[.] **and there is no other adult in the household capable of providing such care.**

Section 2. Section 402 of the act, amended July 15, 1976 (P.L.993, No.202), is amended to read:

Section 402. Definitions.--As used in this article, **unless the content clearly indicates otherwise:**

"Assistance" means money, services[, goods, shelter, burial] and **payment for** medical[, chiropractic and other health care, including nursing home care provided from or with State, Federal, county, county institution district or municipal funds,] **coverage** for needy persons who [reside in] **are residents of** Pennsylvania [and need assistance to provide for themselves and their dependents a decent and healthful standard of living, and for needy homeless or transient persons.], **are in need of assistance and meet all conditions of eligibility.**

"Assistance group" means one or more related or nonrelated individuals who occupy a common residence, or would occupy a common residence if they were not homeless, and whose needs and eligibility for assistance are considered together in determining eligibility for cash assistance or medical assistance. If eligible for cash assistance or medical assistance, the assistance group shall be limited to assistance that accords with standards established by the department.

["Benefit period" means, with respect to any individual, a period of consecutive days beginning with the first day not included in a previous benefit period, on which he is furnished inpatient hospital care, and ending with the last day of the first sixty-day period thereafter during each day of which he is not an inpatient in a hospital.]

"Benefits" shall mean assistance.

"Community service" means nonpaid work for a unit of Federal, State or local government or a nonprofit organization arranged by the cash assistance recipient. The organization receiving the work must agree to report to the appropriate county assistance office regarding the number of hours worked per week by the cash assistance recipient.

"General assistance" means assistance granted under the provisions of section 432(3) of this act.

"Grant diversion" means the use of all or a portion of a recipient's cash assistance grant and food stamp grant as a wage supplement to an employer, as further set forth in section 405.5. Such a supplement shall be limited to a twelve-month period. An employer must agree to continue the employment of the recipient as part of the regular work force beyond the supplement period if the recipient demonstrates satisfactory performance.

"Home Health Care" means intermittent or part time nursing services or other therapeutic services furnished by a home health agency qualified to participate under Title XVIII of the Federal Social Security Act.

"Job readiness/preparation" means training that prepares the recipient for the workplace by teaching interviewing techniques, preparation of resumes and employer expectations. This activity may also include instruction in basic life skills and career exploration.

"Job search" means the activity of seeking full-time or part-time employment with required documentation of attempts to secure employment.

"Job skills training" means preparation that is designed to provide a recipient with the knowledge necessary to perform the duties of a specific job.

"On-the-job training" means employment experience that combines a subsidized period of employment with instruction necessary to perform specific job functions in which the recipient is hired by the employer, who is reimbursed up to fifty percent of the wages paid during the contracted subsidy

period. The training is to be provided to recipients who do not have the related education or specific work experience required for the job.

"Protective payments" means payments with respect to any dependent child which are made to another individual who (as determined in accordance with standards prescribed by the department) is interested in or connected with the welfare of such child or relative, or made on behalf of such child or relative directly to a person furnishing food, living accommodations, or other goods, services, or items to or for such child. Whenever possible, the protective payee shall be a public child welfare agency.

"RESET" means the Road to Economic Self-sufficiency through Employment and Training Program established in section 405.1(a.1).

"State supplemental assistance" means assistance granted under the provisions of section 432(2).

"Subsidized employment" means work in which all or a portion of the wages paid to the recipient are provided to the employer either as a reimbursement for the extra costs of training or as an incentive to hire the recipient, including, but not limited to, grant diversion as set forth in section 405.5.

"Vocational education" means a specific curriculum of training provided by an accredited training organization which is designed to prepare a recipient for a specific occupation.

"Work experience" means subsidized employment of not more than six months duration which is combined with classroom study or other training program.

"Work-related activity" means participation in any one or a combination of the following education or training activities:

- (i) subsidized employment;
- (ii) work experience;
- (iii) on-the-job training;
- (iv) community service;
- (v) workfare;
- (vi) job search, whether independent or assisted, and job readiness/preparation activities;
- (vii) vocational education training or job skills training;
- (viii) any employment and training program funded or approved by the department that provides one-stop access to intensive case management, training, education, job readiness training, job search and individual job development that leads to job placement;
- (ix) any employment and training program funded or approved by the department that provides activities for a cash assistance applicant or recipient to achieve rapid attachment to the work force;
- (x) in the case of a recipient eighteen years of age or older and less than twenty-two years of age, general education that is necessary for the recipient to obtain employment, a high school diploma or a certificate of high school equivalency, subject to the recipient maintaining satisfactory progress as defined by the school or educational program; and
- (xi) additional activities as specified by the department in regulations.

Section 3. Section 403 of the act, amended July 15, 1976 (P.L.993, No.202), December 7, 1979 (P.L.485, No.102), April 8, 1982 (P.L.231, No.75), June 16, 1994 (P.L.319, No.49) and June 30, 1995 (P.L.129, No.20), is amended to read:

Section 403. Uniformity in Administration of Assistance; Regulations as to Assistance.--(a) The department is responsible for maintaining uniformity in the administration

of public welfare, including general assistance, throughout the Commonwealth.

(b) The department shall establish rules, regulations and standards, consistent with the law, as to eligibility for assistance and as to its nature and extent. **The department is authorized to seek waivers from the Federal Government to enhance consistency between Federal program standards, requirements or procedures. This shall not be interpreted to require the department to seek waivers to achieve consistency among standards, requirements or procedures in Federal programs, except as specifically required under other provisions in this article.** Whenever possible, except for residency requirements for general assistance, and consistent with State law, the department shall establish rules, regulations and standards for general assistance consistent with those established for aid to families with dependent children. In no instance shall the rules, regulations and standards established for general assistance provide for [benefits] **assistance** greater than [those benefits] **that** provided for aid to families with dependent children. If three or more general assistance recipients reside together in the same household, their income eligibility and cash [benefits] **assistance** shall be no greater than income eligibility and cash [benefits] **assistance** from aid to families with dependent children for a household of the same size. The secretary or [his designee in writing] **a written designee** is the only person authorized to adopt regulations, orders, or standards of general application to implement, interpret, or make specific the law administered by the department. The secretary shall issue interim regulations whenever changes in Federal laws and regulations supersede existing statutes. In adopting regulations, orders, or standards of general application, the secretary shall strive for clarity of language which may be readily understood by those administering [aid] **assistance** and by those who apply for or receive [aid] **assistance**. For the purpose of this subsection, the term "household" does not include single-room occupancy residences, rooming houses, nonprofit residential programs or personal care facilities receiving charitable funding or Federal, State or local government funding.

(c) Whenever a recipient of public assistance, as a prerequisite to receiving assistance or otherwise, has been required to encumber in favor of the Commonwealth any property, or to give any bond, note or other obligation in any sum to secure the repayment of moneys received as assistance or for any other purposes, and such bonds, notes, judgments, mortgages, or other obligations are thereafter assigned by the Commonwealth to any third party, the assignee shall not be entitled to collect, and the person liable for the payment of the lien or obligation shall not be liable for the payment of, any amount greater than the amount the assignee paid for the assignment, notwithstanding the face amount of such lien or obligation. This provision shall not be effective as to the collection of interest accruing after the date of the assignment or costs of collection.

(d) No general assistance shall be paid to any full-time student at a college or university who has not participated in a Federally subsidized program for dependent children within the previous five years.

(e) Beginning no later than December 31, 1982, the department shall conduct annual quality control reviews of the general assistance caseload in accordance with a methodology and scope determined by the department.

(f) No general assistance shall be paid to initial applicants who voluntarily terminate their employment until thirty days after the date of termination.

(g) Regulations which authorize payment for purchase of an automobile, for parts for an automobile or for repair of an automobile for a recipient of public assistance shall provide that the payment shall be made jointly to the seller of the automobile or parts or the garage or mechanic which made the repairs and the recipient.

Section 4. Section 405 of the act is amended to read:

Section 405. Regulations as to [Community Work] **Employment, Work-Related Activities, and Training.**--The department shall establish rules, regulations and standards[, consistent with the Federal Social Security Act and regulations issued thereunder,] for administration [by local boards of community work and training programs] **of the requirements for employment or work-related activities and training** for employable recipients of assistance. The conditions applicable to work performed by employable recipients of general assistance shall be the same as those pertaining to recipients of assistance for which Federal financial participation is available to the Commonwealth, except that [work required to be performed by recipients of general assistance may be work for a public or nonprofit private agency. Any agency for which work is performed under the provisions of this section shall reimburse the persons performing such work for any additional expenses reasonably attributable to such work, and for which provisions are not made in the assistance grant or shall make provision for meeting the needs for which such expenses would be incurred, to the same extent and in the same manner that provision for meeting such expenses or needs is made under rules and regulations of the department in the case of other adult assistance recipients who are employed. Such work shall be of a constructive nature for the conservation of work skills and development of new skills for individuals who have attained the age of eighteen, and are receiving aid to families with dependent children or general assistance under conditions which are designed to assure protection of the health and welfare of such individuals and the dependent children involved.] **if Federal law limits the applicability of these conditions to recipients for whom Federal financial participation is available, the conditions pertaining to recipients of general assistance shall remain applicable.**

Section 5. Section 405.1 of the act, amended or added July 15, 1976 (P.L.993, No.202) and April 8, 1982 (P.L.231, No.75), is amended to read:

Section 405.1. [Work Registration Program.--(a) Prior to the authorization of assistance, every individual shall register in accordance with regulations of the department for employment, training and manpower services, unless such individual is:

(1) a child who is under the age of sixteen or is attending full-time an elementary, secondary or equivalent vocational (or technical) school;

(2) a person who has a serious physical or mental handicap which prevents him or her from working in any substantial activity as determined in accordance with the standards established by the department. The department shall require that documentation of disability be submitted from a physician or psychologist. 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) required to be present in the home because of illness or incapacity of another member of the household;

(4) the parent or other relative of a child under the age of six who is personally providing care for the child with only very brief and infrequent absences from the child;

(5) the parent or other caretaker of a child if another adult relative is in the home and not excluded from the requirement to register, unless such other adult 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;

(6) actively participating in the Federal work incentive program;

(7) employed full time; or

(8) the parent of a child who is deprived of parental support or care by reason of the unemployment of a parent, if the other parent (who is the principal wage earner) is not excluded by the preceding paragraphs of this subsection.]

Establishment of RESET.--(a.1) There is established a program within the department, which shall be known as the Road to Economic Self-sufficiency through Employment and Training (RESET). RESET shall be designed to enable recipients of cash assistance to secure permanent full-time unsubsidized jobs, entry level jobs or part-time jobs which can establish a work history, preferably in the private sector, with wages and benefits that lead to economic independence and self-sufficiency as soon as practicable, within the constraints of available funds.

(a.2) In accordance with RESET, the following requirements shall apply:

(1) As a condition of eligibility or continuing eligibility for cash assistance, every individual who is not exempt under subsection (a.3) shall seek employment, accept any offer of employment and maintain employment.

(2) As a condition of eligibility or continuing eligibility for cash assistance, a nonexempt applicant or recipient who is not employed for an average of at least twenty hours per week shall be required to participate in a work-related activity.

(3) A nonexempt applicant's initial work-related activity shall be to conduct an independent job search for a period not to exceed eight weeks. A person who is on the effective date of this subsection a nonexempt recipient shall be required to conduct an independent job search within eight weeks of the recipient's next redetermination of eligibility. The applicant or recipient must document such efforts and present the documentation to the appropriate county assistance office upon request. Failure to comply with the requirements of this section shall result in the imposition of the sanctions set forth in section 432.3.

(4) If the initial job search period concludes without the applicant or recipient obtaining full-time employment or employment for an average of at least twenty hours per week, the county assistance office, in consultation with the applicant or recipient, shall assess the additional measures that may be necessary for the applicant or recipient to seek and obtain employment, including the type of work-related activities that will be used to meet the ongoing work-related activity requirement. These measures shall be incorporated into the applicant's or recipient's agreement of mutual responsibility pursuant to section 405.3.

(5) An applicant or recipient may fulfill the work-related activity requirement following the initial job search and

consultation with the county assistance office by participating in any one or a combination of vocational education, general education, English-as-a-second-language study or job skills training, as necessary, for a maximum of twelve months. For a recipient or applicant who is eighteen years of age or older and less than twenty-two years of age and who has not earned a high school diploma or its equivalent, pursuit of a high school diploma or a certificate of high school equivalency can fulfill the work-related activity requirement for a maximum of twenty-four months.

(6) A recipient who has received assistance for twenty-four months, whether those months are consecutive or interrupted, must work, participate in subsidized employment, work experience, on-the-job training, community service or workfare for an average of at least twenty hours per week. Information indicating noncompliance with the minimum twenty-hour per week requirement shall be cause for a review of eligibility.

(a.3) An applicant or recipient may be exempt from the requirements of subsection (a.2) if any of the following apply:

(1) The applicant or recipient has been assessed by a physician or psychologist as having a verified physical or mental disability which temporarily or permanently precludes the applicant or recipient from any form of employment or work-related activity. The verification of the physical or mental disability shall be established by written documentation in a form prescribed by the department and shall be based on acceptable clinical and laboratory diagnostic techniques, rather than a statement of symptoms by the applicant or recipient. The department may also require the applicant or recipient to submit to an independent examination as a condition of receiving assistance. An applicant or recipient with a verified physical or mental disability that is temporary in nature must pursue appropriate treatment as a condition of receiving assistance.

(2) The applicant or recipient is a specified relative caring for a child who is under six years of age and for whom alternate child care arrangements are unavailable.

(3) The applicant or recipient is under eighteen years of age. An applicant or recipient under this clause shall be required to pursue a high school diploma or a certificate of high school equivalency.

(a.4) An applicant or recipient who is exempt under subsection (a.3) shall be required to comply with subsection (a.2) as follows:

(1) An applicant or recipient who is exempt under subsection (a.3)(1) shall be required to comply with subsection (a.2) when the condition which caused the person to be unable to be employed ceases as follows:

(i) If the condition ceases during the first twenty-two months that the recipient receives cash assistance, whether those months are consecutive or interrupted, the recipient shall be required to comply with subsection (a.2) immediately.

(ii) If the condition ceases after the recipient has received cash assistance for twenty-two months or more, whether those months are consecutive or interrupted, the recipient shall be required to comply with subsection (a.2) within eight weeks.

(2) An applicant or recipient who is exempt under subsection (a.3)(2) shall be required to comply with subsection (a.2) as soon as alternate child care arrangements are available.

(3) Upon attaining eighteen years of age, the recipient who is exempt under subsection (a.3)(3) shall be required to comply with subsection (a.2).

(b) Any [person excluded from the requirements of registration by reason of] **applicant or recipient exempted from** subsection [(a),] **(a.2)** may [register to] participate in [the Pennsylvania employables program] **employment and work-related activities.**

(c) No [person registered pursuant to] **applicant or recipient subject to the requirements of** subsection [(a)] **(a.2)** shall refuse to accept a bona fide offer of employment or training. [The bona fide offer of employment, training, or work experience must be consistent with the person's physical, mental and emotional capabilities.]

In order to be a bona fide offer of employment, there must be reasonable assurances that:

(1) Appropriate standards for the health, safety, minimum wage and other conditions applicable to the performance of work and training in the employment are established and will be maintained.

(2) The offer of employment will not result in any displacement of employed workers.

(3) With respect to such employment, the conditions of work, training, education, and employment are reasonable in the light of such factors as the type of work, geographical region, and a proficiency of the participant.

(4) The employment is not available due to labor dispute, strike or lock-out.

(d) Any [person required to register] **applicant or recipient who wilfully fails to fulfill the obligations** pursuant to subsection [(a) who wilfully:

(1) fails to register; or

(2) refuses a bona fide offer of employment or training in violation of subsection (c)] **(a.2)** shall be ineligible for [aid to families with dependent children or general] **cash** assistance[. Where there is no other parent present who is eligible for assistance any aid for which such child is eligible will be provided in the form of protective payment as defined in section 402.

(e) The department shall, within twelve months of the effective date of this act, establish a Statewide program which will have as its primary purpose, the obtaining of bona fide employment for non-exempt assistance applicants and recipients. The program may be substituted for the registration required by subsection (a). The program 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 of assistance offices.

(f) The department shall take all appropriate measures to obtain any necessary Federal approval and assistance for the Pennsylvania employables program. If the United States Department of Health, Education and Welfare does not approve all or part of the Pennsylvania employables program, that part of the program unapproved shall not apply to persons who are otherwise eligible for aid to families with dependent children, but it shall apply to persons eligible for general assistance. In addition, the department shall take all appropriate measures to secure Federal funding for all or part of the demonstration programs authorized by subsection (e), including but not limited to a request for financial assistance pursuant to section 1110 of the Federal Social Security Act.

(g) The department shall promptly redetermine eligibility upon receipt of notice of deregistration.] **in accordance with section 432.3.**

(h) No department or agency of the Commonwealth and no vendor delivering social services funded in whole or in part by contracts with or grants from the Department of Public Welfare shall discriminate in any manner including employment or job placement against any person because that person is or was an applicant for or recipient of assistance.

Section 6. Section 405.3 of the act, added June 16, 1994 (P.L.319, No.49), is amended to read:

Section 405.3. Responsibilities and Obligations of Department, **Applicants** and Recipients.--(a) Subject to Federal approval, only where necessary, [all applicants for] **each adult applicant or recipient of cash [or medical benefits] assistance or other person who is required to sign an application for assistance** shall be required **as a condition of eligibility** to enter into [an] **a mutual** agreement with the department that will [establish the responsibilities and obligations of the department under this act and the responsibilities and obligations of the cash or medical benefit recipient. Those obligations] **set forth the responsibilities and obligations to be undertaken by the recipient to achieve self-sufficiency, the time frames within which each obligation is to be completed, the penalties for failure to comply and the actions to be taken by the department to support the efforts of the applicant or recipient. Where appropriate, these obligations** shall include, but not be limited to:

(1) [Cooperation with the department in providing] **Providing** timely and accurate information required under section 432.2.

(2) [Cooperation with the department in assisting in] **Cooperating in the** determination of paternity and enforcement of support obligations as required under section 432.7.

(3) [Agreement to participate] **Seeking and participating** in an educational program **leading to a high school diploma or its equivalent**, job training [program] or [community work experience program whenever assigned.] **work-related activities as required under section 405.1(a.2).**

(4) [Agreement to seek and accept] **Maintaining** employment as a condition for receiving cash assistance [benefits].

(b) One year after the effective date of this section, the department shall require all recipients who have been receiving cash benefits for a continuous period of three or more years to participate in a department-approved educational program, job training program, grant diversion program or community work experience program. Satisfactory participation in an approved program that is designed to encourage self-respect and self-dependency shall be a condition of the continuation of cash benefits.

(c) The department shall not reduce or eliminate cash benefits for recipients under the provisions of subsection (b) if adequate funds have not been appropriated for education, training or community work experience programs.] **as required under section 405.1(a.2).**

(5) **Obtaining prenatal care consistent with nationally recognized standards.**

(6) **Maintaining the health and well-being of his or her children, including:**

(i) **ensuring that children attend school and pursue a high school diploma or its equivalent;**

(ii) **ensuring that children receive immunizations, appropriate health screenings and necessary medical treatment, consistent with nationally recognized standards;**

(iii) performing any other appropriate activity based on an assessment of the education level, parenting skills and history of parenting activities and involvement of each parent who is applying for assistance;

(iv) meeting other requirements as established by the department.

(7) Fulfilling obligations for remaining free of alcohol and illegal drugs if it is determined that a person has an ongoing substance-abuse problem that presents a barrier to employment. These obligations include:

(i) participating in, maintaining compliance with and satisfactorily completing a drug and alcohol program licensed or approved by the Department of Health or administered by an agency of the Federal Government; or

(ii) providing proof of substance-free status by submitting to periodic drug testing by a licensed drug and alcohol treatment provider or appropriate authorized licensed practitioner and testing substance free.

(8) Fulfilling all obligations for payment of day-care fees for care provided.

(9) Fulfilling all obligations for payment of support service fees for which allowances have been provided.

(d) Nothing in this section shall be interpreted as requiring the department to develop or offer employment, education, training, work-related activities or [community] work experience programs.

(e) Any person who is required to sign an application for assistance and fails or refuses without good cause to enter into or cooperate in the completion of an agreement of mutual responsibility shall be ineligible for cash assistance.

(f) Penalties shall be imposed on an applicant or recipient of cash assistance who fails to comply with the obligations set forth in the agreement of mutual responsibility. Penalties shall include disqualification from receiving assistance as follows:

(1) Sanctions for failure to comply with employment and work-related requirements as set forth in section 432.3(a)(1) and (2).

(2) Sanctions for failure to cooperate with child support requirements as set forth in section 432.7A.

(3) Sanctions for failure to disclose truthful and accurate information as set forth in section 481.

(4) Sanctions for failure to cooperate with other aspects of the agreement of mutual responsibility shall include discontinuance or reduction of cash assistance, in addition to other penalties established by the department.

Section 7. The act is amended by adding a section to read:

Section 405.5. Grant Diversion.--(a) Public assistance recipients who have not secured unsubsidized employment may be placed in subsidized employment with any employer approved by the department. The department may convert the cash assistance and food stamp assistance of participating recipients and their dependents, if any, into subsidies for participating employers if the department determines it is cost effective to do so.

(b) Employers may be reimbursed as follows:

(1) In the first six months of a recipient's employment, the employer reimbursement may be equal to the lesser of:

(i) the total of the recipient's cash assistance plus food stamp assistance; or

(ii) fifty percent of the employer's share of Social Security taxes, unemployment insurance and worker's compensation premiums paid on behalf of the recipient and the wages paid to the recipient up to the State minimum wage.

(2) In the next six months of a recipient's employment, the employer reimbursement may be equal to the lesser of:

(i) the total amount of the recipient's cash assistance plus food stamp assistance; or

(ii) twenty-five percent of the employer's share of Social Security taxes, unemployment insurance and worker's compensation premiums paid on behalf of the participating recipient and the wages paid to the recipient up to the State minimum wage.

(c) Program recipients are considered probationary employees for the employer's established probationary period for new hires performing the same or similar work. Thereafter, the recipient will be considered a permanent hire.

(d) Each employer who participates in the subsidized employment project shall as a minimum:

(1) Pay all participating recipients a wage rate that is at least equal to the rate established by the employer for an employee with similar background, training or experience who is performing the same or similar work. Nothing in this clause shall grant an employer the right to pay a participating recipient less than the State minimum wage.

(2) Not discriminate against participating recipients in any benefits provided to other new employees. The department shall ensure that there is no duplication of benefits.

(3) Schedule recipients for a minimum of twenty hours per week of work.

(4) Sign a worksite contract outlining the specific job offered to the recipient and agreeing to abide by all requirements of the program. While the worksite contract shall ensure the recipient's fair treatment and safety, the paperwork which is to be completed by the employer shall be kept to a minimum.

(5) Not have any other individual on layoff from the same or any substantially equivalent job and not have terminated any regular employee or otherwise reduced its workforce with the intent of filling the position with a recipient.

(e) The department shall maximize the use of Federal grants and apportionments of the cash assistance program, the food stamp program, employment-related child care and the programs under the Job Training Partnership Act (Public Law 97-300, 29 U.S.C. § 1501 et seq.) and any other Federal or private funding sources to support this subsidized employment program.

(f) The program will be administered and operated by the department, which will solicit vendors to provide the local operation, administration and case management for the program. The program shall be available Statewide.

(g) Recipients eligible for enrollment in this program must be receiving cash assistance at the time of enrollment.

(h) The maximum number of recipients to be placed with any single employer shall be limited to one recipient for employers with fewer than ten employees and to ten percent of an employer's total number of employees for employers with more than ten employees. The department may exceed these limits for employers that demonstrate a long-term commitment to the successful integration of recipients into the labor force by continuing to employ participating recipients for at least one year after the grant diversion subsidy payments cease.

(i) An employer may terminate the employment of a participating recipient at any time. The department may deem ineligible for participation in the grant diversion program any employer that consistently terminates the employment of participating recipients during or soon after the end of the grant diversion period.

Section 8. Section 408 of the act, amended April 8, 1982 (P.L.231, No.75), is amended to read:

Section 408. Meeting Special Needs; [Encouraging Self-Support and Employment.--] **Work Supports and**

Incentives.--(a) The department shall 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] **disabilities** 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 may provide assistance to recipients for child day care when the department has determined that without such services the recipient would be exempt from compliance with the conditions of the agreement of mutual responsibility or work requirements or when a former recipient who is employed has ceased to receive cash assistance for a reason other than a sanction for noncompliance with an eligibility condition. In establishing the time limits and levels of access to child day-care funds, the department shall take into account availability, costs and the number of assistance groups needing services within the geographic area and shall seek to provide essential services to the greatest number of recipients.

(c) The department may provide assistance to recipients for transportation and work support when the department has determined that without such services the recipient would be exempt from compliance with the conditions of the agreement of mutual responsibility or work requirements. In establishing the time limits and levels of access to transportation and work support, the department shall take into account availability, costs and the number of recipients needing services within the geographic area and shall seek to provide essential services to the greatest number of recipients.

Section 9. Section 432 of the act, amended April 1, 1976 (P.L.64, No.28), April 8, 1982 (P.L.231, No.75), June 16, 1994 (P.L.319, No.49) and June 30, 1995 (P.L.129, No.20), is amended to read:

Section 432. Eligibility.--Except as hereinafter otherwise 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), and (3) shall be eligible for assistance:

(1) Persons for whose assistance Federal financial participation is available to the Commonwealth as aid to families with dependent children or as other assistance, and which assistance is not precluded by other provisions of law.

(2) Persons who are eligible for State supplemental assistance.

(i) State supplemental assistance shall be granted to persons who receive Federal supplemental security income for the aged, blind and disabled pursuant to Title XVI of the Federal Social Security Act.

(ii) State supplemental assistance shall also be granted to persons who are aged, blind and disabled, as defined in Title XVI of the Federal Social Security Act, and whose income, pursuant to the standards and income disregards of Title XVI of the Social Security Act, is less than the combined income of the Federal payments under the supplemental security income

program and the State supplemental assistance payments established pursuant to the provisions of this act.

(iii) In establishing the amounts of the State supplemental assistance, the department shall consider the funds certified by the Budget Secretary as available for State supplemental assistance, pertinent Federal legislation and regulation, the cost-of-living and the number of persons who may be eligible.

(iv) Beneficiaries of State supplemental assistance shall be eligible for cash State financial assistance to cover the cost of special needs as defined by statute and regulations promulgated under this act.

(v) After the amounts of assistance payments have been determined by the department with the approval of the Governor and General Assembly, the amounts of assistance payments shall not be reduced as a consequence of [benefit] **assistance** increases, including but not limited to cost-of-living increases, provided through Federal legislation.

(vi) After the amounts of assistance payments have been determined by the department with the approval of the Governor and General Assembly, the amounts of assistance payments shall not be increased without the approval of the General Assembly in accordance with the procedure established by the act of April 7, 1955 (P.L.23, No.8) known as the "Reorganization Act of 1955," and a message to the General Assembly from the Governor for the purposes of executing such function shall be transmitted as in other cases under the Reorganization Act.

(3) Other persons who are citizens of the United States, or lawfully admitted aliens who are eligible for general assistance [benefits].

(i) Persons who may be eligible for general assistance for an indeterminate period as a result of medical, social or related circumstances shall be limited to:

(A) A child who is under age eighteen or who is eighteen through twenty years of age and attending a secondary or equivalent vocational or technical school full-time and may reasonably be expected to complete the program before reaching twenty-one years of age.

(B) Persons who are parents residing in two-parent households with their child who is under [eighteen] **thirteen** years of age **unless the child is thirteen years of age or older and has a verified disability**. Every possible effort shall be made by the department to place these persons in the AFDC program.

(C) A person who has **been assessed by a physician or psychologist as having** a [serious] **verified** physical or mental [handicap] **disability** which [prevents] **temporarily or permanently precludes** 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.] **any gainful employment. The verification of the physical or mental disability must be established by written documentation in a form prescribed by the department and must be based on acceptable clinical and laboratory diagnostic techniques, rather than a statement of symptoms by the applicant or recipient.** The department may also require [further medical documentation of disability and may also order at the department's expense a person] **the applicant or recipient** to submit to an independent examination as a condition of receiving assistance [under this clause]. **An applicant or recipient with a verified physical or mental**

disability which is temporary in nature shall pursue appropriate treatment as a condition of receiving assistance.

(D) A person who is a nonparental caretaker of a child under [eighteen] **thirteen** years of age or a caretaker of another person because of illness or disability. Such child or other person must be a member of the household and the caretaker must be a person whose presence is required in the home to care for another person as determined in accordance with department regulations. **Assistance shall not be granted to a person under this clause if there is another adult in the household who is capable of providing the care without general assistance being required.**

(E) A person who is currently undergoing active treatment for substance abuse in a drug and alcohol program licensed or approved by the Department of Health or administered by an agency of the Federal Government. **A person shall only qualify for general assistance under this clause if the treatment program precludes the person from any form of employment in accordance with standards established by the department.** No individual shall qualify for general assistance under this clause for more than nine months in a lifetime.

(F) A pregnant woman whose pregnancy has been medically verified.

(G) A person who is a victim of domestic violence and who is receiving protective services as defined by the department. No individual shall qualify for general assistance under this provision for more than nine months in [his] **that person's** lifetime.

(ii) General assistance shall continue as long as the person remains eligible. Redeterminations shall be conducted on at least an annual basis, and persons [capable of work, even though otherwise eligible for general assistance, would] **shall** be required to [register for] **seek** employment [and], accept **any offer of** employment [if offered] **and maintain employment** as [a condition] **conditions** of eligibility except as otherwise exempt under section [405.1] **405.1(a.3).**

[(iii) Transitionally needy persons are those persons who are otherwise eligible for general assistance but do not qualify as chronically needy. Assistance for transitionally needy persons shall be authorized for not more than sixty days in any twenty-four month period. Any transitionally needy benefits received in the twelve-month period prior to the effective date of this subclause shall be applied toward the total period of benefits an individual is eligible for, beginning with the receipt of the first cash assistance check in the previous twelve-month period. This subclause shall expire September 1, 1995.]

(iv) No transitionally needy [benefits] **assistance** shall be initially authorized after June 30, 1995. Any person receiving transitionally needy general assistance as of the effective date of this subclause may continue to receive that assistance until sixty days of [benefits] **assistance** are exhausted in accordance with subclause (iii). Transitionally needy [benefits] **assistance** received after June 30, 1993, shall be applied to the total period of [benefits] **assistance**. Transitionally needy general assistance [benefits] shall cease on the earlier of:

(A) the date of the final issuance of [benefits] **assistance**;
or

(B) August 29, 1995.

(4) Assistance shall not be granted (i) to or in behalf of any person who disposed of his real or personal property, of the value of five hundred dollars (\$500), or more, without fair consideration, within two years immediately preceding the date of application for assistance unless he is eligible for State supplemental assistance; or (ii) to an inmate of a public institution.

(5) (i) Assistance may be granted only to or in behalf of a resident of Pennsylvania. Needy persons who do not meet the residence requirements stated in this clause and who are transients or without residence in any state, may be granted assistance up to seven days in the form of vendor payments, all in accordance with rules, regulations, and standards established by the department.

(ii) **Cash assistance for applicants and recipients of aid to families with dependent children who have resided in this Commonwealth for less than twelve months shall not exceed the lesser of the maximum assistance payment that would have been received from the applicant's or recipient's state of prior residence or the maximum assistance payment available to the applicant or recipient in this Commonwealth.**

(6) Aid to families with dependent children shall not be paid to any family for any month in which any caretaker relative with whom the child is living is, on the last day of such month, participating in a strike, and no individual's needs shall be included in determining the amount of aid payable for any month to a family if, on the last day of such month, such individual is participating in a strike.

[(7) No person shall be terminated from aid to families with dependent children or general assistance if otherwise eligible solely because the department fails to offer a community work assignment to an individual required under section 405.2 to participate in the community work program, but individuals may be terminated for failure to comply with other rules and regulations under section 405.2.]

(8) A person who does not meet a definitive condition for aid to families with dependent children solely because of the person's refusal to cooperate in establishing eligibility for aid to families with dependent children shall also be ineligible for general assistance.

(9) Assistance may not be granted to any person who has been sentenced for a felony or misdemeanor offense and who has not otherwise satisfied the penalty imposed on that person by law. [The department and the Pennsylvania State Police shall enter into a cooperative agreement.] Notwithstanding any provisions in 18 Pa.C.S. Ch. 91 (relating to criminal history record information), [this agreement] **the cooperative agreements provided for in this clause** shall provide the department with access to the central repository within the Pennsylvania State Police in order to carry out the objectives of this section. The Pennsylvania State Police and the Pennsylvania Board of Probation and Parole shall have access to the records of the Assistance Recipient Identification Program under section 414 within the department in order to carry out the objectives of section 414. For [general] **cash** assistance applicants and recipients, the department shall enter into cooperative agreements with the Pennsylvania State Police and the Pennsylvania Board of Probation and Parole to ensure that no [general] **cash** assistance is granted to a person who has been sentenced for a felony or misdemeanor offense. For this purpose, the department may access and provide information available pursuant to section 414. As used in this clause, "satisfied the

penalty" means completed the period of incarceration or extension thereof and paid all fines, costs and restitution. Nothing in this clause shall be deemed to exclude from **cash** assistance any person who has been paroled from a term of imprisonment, or any person who is in compliance with all terms of probation, and who has made **either** full payment of all fines, costs and restitution **or is in compliance with an approved payment plan.**

(10) Assistance shall not be granted to any applicant **or recipient** who is under eighteen years of age and who has never been married and is pregnant and/or caring for a dependent child unless the [applicant] **minor parent** is residing with a parent, **legal** guardian or other adult **relative or in an adult-supervised supportive living arrangement approved by the department.** In the event that the [applicant] **minor parent** is residing with a parent, **legal** guardian or other adult **relative or in an adult-supervised supportive living arrangement approved by the department,** assistance shall be paid to the parent, **legal** guardian or other adult with [which] **whom** the [applicant] **minor parent** is residing. [Exemptions] **Exceptions** to this subsection will be granted by the department if [the department determines] **it is determined** that an [exemption] **exception** would [be in the best interests] **best serve the health and safety** of the [applicant] **minor parent** and the [child/children] **child** or if the [applicant] **minor parent** can present evidence that the parent, **legal** guardian or other adult:

(i) refuses or is unable to allow the [applicant] **minor parent or child** to live in his or her home;

(ii) poses an emotional or physical threat to the [applicant] **minor parent or child;**

(iii) has physically or sexually abused the [applicant] **minor parent** or the [applicant's child/children] **minor parent's child or any other child in the household** or poses a risk of doing so;

(iv) has exhibited neglect of the [applicant] **minor parent** or the [applicant's child/children] **minor parent's child;** or

(v) has spent the [applicant's] **minor parent's** assistance [benefits] in an improper manner.

[If an exemption is granted, the county assistance office shall determine the most appropriate living arrangement for the applicant and the applicant's child/children that would be in the best interest of the applicant and the applicant's child/children.] **If the minor parent does not meet any of the exceptions set forth in this clause and the parents or legal guardian live within this Commonwealth or another state, the minor parent and child may be given a one-time allowance solely for the limited purpose of reuniting that minor parent and child with a parent, legal guardian or other adult relative at their place of residence. The amount of the allowance shall be limited to the least expensive mode of transportation available.**

(11) A person who is ineligible for general assistance or medical assistance under this act shall be ineligible for assistance under the act of June 24, 1937 (P.L.2017, No.396), known as the "County Institution District Law," and the act of August 9, 1955 (P.L.323, No.130), known as "The County Code."

Section 10. Section 432.3 of the act, amended April 8, 1982 (P.L.231, No.75), is amended to read:

Section 432.3. [Voluntary Termination of Employment.--A person] **Failure to Comply with Employment and Work-Related Activity Requirements.--(a) An applicant or recipient who is not [in a class of persons excluded] exempt from [mandatory]**

participation in the [work registration program] **employment or work-related activity requirements set forth in section 405.1(a.2)** and who without good cause: (i) voluntarily terminates employment or reduces [his earning capacity] **earnings**; (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 and the community work program,] **work-related activity**, or refuses to accept referral to and work in and retain employment in which [he] **the applicant or recipient** is able to engage, provided such employment conforms to the standards established for a bona fide offer of employment [in the work registration program], shall be disqualified from receiving assistance [for sixty days] **as follows**:

(1) **A minimum of thirty days** for the first violation and **continuing** thereafter until such time as he **or she** is willing to comply with the requirements of section 405.1[. For the second violation and for each subsequent violation the disqualification period shall be one hundred twenty days. The disqualification period shall commence on the date the department's order imposing the disqualification is final.]; **a minimum of sixty days for the second violation and continuing thereafter until such time as he or she is willing to comply with the requirements of section 405.1; and permanently for a third violation.**

(2) **If the reason for the disqualification occurs during the first twenty-four months that cash assistance is received, whether those months are consecutive or interrupted, only the individual is disqualified. If the reason for the disqualification occurs after the individual has received assistance for more than twenty-four months, whether those months are consecutive or interrupted, the disqualification is imposed on the entire assistance group.**

(b) **In addition to or in lieu of the sanctions set forth in subsection (a)(1) and (2), the cash assistance grant of an employed person who voluntarily, without good cause, reduces his or her earnings by not fulfilling the twenty-hour per week work requirement set forth in section 405.1(a.2) shall be reduced by the dollar value of the income that would have been earned if the recipient had fulfilled those employment responsibilities.**

Section 11. Section 432.4(a) of the act, amended June 16, 1994 (P.L.319, No.49), is amended to read:

Section 432.4. Identification and Proof of Residence.--(a) All persons applying for assistance shall provide acceptable identification and proof of residence; the department shall by regulations specify what constitutes acceptable identification and proof of residence. A person shall be deemed to be a resident when he or she documents his or her residency and that residency is verified by the department. Verification may include, but is not limited to the production of rent receipts, mortgage payment receipts, utility receipts, bank accounts or enrollment of children in local schools. General assistance applicants must establish that they have been residents of the Commonwealth for at least [sixty days] **twelve months** immediately preceding their application. The provisions of this subsection shall not apply to General Assistance applicants who can establish that they moved to this Commonwealth to escape an abusive living situation. The department shall adopt rules governing the proof required to establish that the applicant

has moved to this Commonwealth to escape an abusive living situation.

* * *

Section 12. Sections 432.5, 432.6 and 432.7 of the act, amended or added July 15, 1976 (P.L.993, No.202) and April 8, 1982 (P.L.231, No.75), are amended to read:

Section 432.5. [Limits on Property Holdings] **Resources.--**(a)

Real and personal property which an applicant or recipient owns or in which he **or she** has an interest are resources which must be considered in determining initial and continuous eligibility for assistance, subject to the limitations and exceptions hereinafter proscribed.

(b) An applicant or recipient may retain real property owned by [him] **that person**, or in conjunction with any other person without reference to its value if such real property serves as the home of such applicant or recipient.

(c) Other property in excess of two hundred fifty dollars (\$250) for a single person **applying for or receiving** assistance [unit] and other property in excess of one thousand dollars (\$1,000) for assistance [units] **groups** with more than one person shall be considered an available resource. The following items shall not be considered an available resource, unless such consideration is required under Federal law or regulations:

(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) [A] **One** motor vehicle [with an equity value that does not exceed limits as the department may establish by regulation] **per assistance group**.

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

(d) In the case of any nonresident real property, the applicant or recipient must take adequate steps to offer such property for sale on the open market[,], **or** convert it to cash, with such sums being considered an available resource. The applicant or recipient shall acknowledge the liability of the property for reimbursement.

(e) [With the exception of the items of personal property in subsection (c) personal] **Personal property which is not excluded from consideration in determining eligibility** shall be considered immediately convertible to cash and available to meet current living expenses. Where such personal property cannot be readily converted into cash, or where it is in the form of a frozen asset, eligibility criteria shall be met provided that the owner take adequate steps to convert the property into cash, offering such personal property for sale on the open market, and acknowledging the liability of the property for reimbursement.

(f) Where [aid] **assistance** has been received in good faith, but the recipient in fact owns excess property or has not met the requirements of [subsections (c), (d) and (e)] **the department**, such recipient shall be considered to have been ineligible for assistance during the period for which any excess property would have supported [him] **that recipient** at the rate of the assistance granted [to him]. In such case, subject to the provisions of section 432.16, recipient shall repay the

amount of assistance received during such period of ineligibility.

Section 432.6. Support From Legally Responsible Relatives.--(a) Prior to authorization, every applicant for assistance whose eligibility is based on deprivation due to absence of a parent from a home shall [be referred to] **appear before** the 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.] **Upon the request of a family court or domestic relations section, the secretary is authorized to waive the requirement of personal appearance before a family court or domestic relations section if another procedure would be as efficient and effective. Subject to Federal approval, only when necessary, assistance shall not be authorized by the department until the domestic relations section has certified that the applicant has cooperated in determining paternity and establishing support.**

[(b) The department shall establish a scale of suggested minimum contributions to assist courts in determining the amount that an absent parent should be expected to pay towards the support of a dependent child. The scale shall include consideration of gross income, shall authorize expense deductions, including deductions for taxes, for determining net income, shall designate other available resources to be considered and shall specify the circumstances which should be considered in reducing liability on the basis of hardship. Copies of this scale shall be made available to courts, district attorneys and to the public. It is intended that the scale formulated pursuant to this section should be optional.]

(c) Failure of the absent parent to comply with his support obligations shall be referred to the court having jurisdiction of this matter for appropriate proceedings.]

(d) Effective January 1, 1977, "legally responsible relative" means spouses and the parent for an unemancipated minor child.

(e) 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 recipient is receiving public assistance, any such support payments made to or on behalf of the public assistance recipient shall be allocated first to any amount due the department as assignee of the recipient's support rights. The public assistance recipient shall be deemed to have appointed the department as his or her attorney in fact to endorse over to

the department any and all drafts, checks, money orders or other negotiable instruments submitted for payment of support due during the time the recipient is receiving public assistance on behalf of himself, herself or any family member.

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

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

(1) Furnish his **or her** social security account number or to the extent permitted by Federal law, proof of making application for a social security account number if the applicant or recipient has no social security account number.

(2) Assign to the department on forms provided by the department such support rights as the applicant or recipient may have [in his own behalf] **individually** or on behalf of any family member who is a part of the assistance [unit] **group**.

(3) Cooperate with the department in establishing the paternity of a child [born out of wedlock] with respect to whom assistance is claimed[, except when such cooperation would not be in the best interest of the child in accordance with standards developed by the department consistent with Federal regulations] **unless the department determines that the applicant or recipient has good cause for failing to do so.**

(4) Cooperate in obtaining support payments for such applicant or recipient and for a child with respect to whom such [aid] **assistance** is claimed or in obtaining any other payment or property due such applicant, recipient or such child[, except when such cooperation would not be in the best interest of the child in accordance with standards developed by the department consistent with Federal regulations. "Cooperation" includes, but is not limited to, the keeping of scheduled appointments with applicable offices and appearing as a witness in court or at other hearings or proceedings necessary to obtain support from the absent parent] **unless the department determines that the applicant or recipient has good cause for failing to do so.**

(b) [Provide for protective payments as set forth in section 432.7A.] **Require cooperation in accordance with the following:**

(1) Subject to Federal approval, only when necessary, cooperation shall include, but not be limited to, taking the following actions:

(i) identifying the parents of any child for whom assistance is sought or received, including appearing for scheduled genetic testing with the child;

(ii) keeping scheduled appointments with the department or domestic relations section;

(iii) providing truthful and accurate information and documents requested by the department or domestic relations section;

(iv) signing and returning any forms requested by the department or domestic relations section;

(v) appearing as a witness and providing testimony at judicial and other hearings as requested by the domestic relations section; and

(vi) paying to the department any support payment received directly from an absent parent after an assignment of support has been made.

(2) The failure of the mother to identify by name the father of a child shall create a presumption of noncooperation which may be rebutted only by clear and convincing evidence.

(3) Subject to Federal approval, if the applicant or recipient provides the names of two putative fathers subsequently excluded from paternity by genetic testing, the second exclusion shall create a presumption of noncooperation, which may be rebutted only by clear and convincing evidence.

(c) Provide that in any case in which the child support payments are collected for a child with respect to whom an assignment has been made pursuant to clause (2) of subsection (a), such payment shall be made to the department for distribution pursuant to subsection (g) except for those payments made for any month in which the amount collected is sufficient to make such family ineligible for assistance. Whenever a family for whom child support payments have been collected and distributed ceases to receive assistance, the department may continue to collect such support payments from the legally responsible relative for a period not to exceed three months from the month following the month in which such families ceased to receive assistance and pay all amounts so collected to the family and at the end of such three-month period, if specifically authorized by the individual on whose behalf the collection will be made, continue to collect such support payments from the legally responsible relative and pay the net amount of any amount so collected to the family after deducting any costs incurred in making the collection from the amount of any recovery made.

(d) Create a single and separate organizational unit which shall be responsible for developing and implementing, subject to the approval of the secretary, a Federally approved State plan for child support. The unit shall maintain a parent locator service to locate absent legally responsible relatives utilizing all sources of information and legally available records and the parent locator service of the Federal Government.

(e) Undertake either directly or pursuant to cooperative arrangements with appropriate courts or law enforcement officials (including domestic relations offices) to:

(1) establish paternity of children [born out of wedlock] with respect to whom an assignment pursuant to clause (2) of subsection (a) has been made; and

(2) secure support for a child with respect to whom such an assignment has been made from any legally responsible relative.

(f) Make available child support and paternity determination services to any individual not eligible for assistance to the extent required by Federal law and upon application submitted to the department on forms provided by the department, the payment of any application fee established by the department and the agreement to pay costs in excess of the fee out of any recovery made by the department.

(g) [Provide for bonus payments to recipients consistent with Federal law from amounts collected periodically without any decrease in the amount of assistance.] **The department shall continue payment of support pass-through payments to assistance recipients as required by Federal law.**

(h) Make incentive payments to political subdivisions and other states consistent with Federal law whenever the political subdivision or other state enforces or collects support rights assigned to the department pursuant to clause (2) of subsection (a).

(i) Construe and implement this section in order to comply with Title IV-D of the Federal Social Security Act relating to child support and the establishment of paternity. The department

shall take all steps necessary to implement a Federally approved State plan for child support.

Section 13. Section 432.7A of the act, added April 8, 1982 (P.L.231, No.75), is amended 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] **caretakers** 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] **applicant or recipient** 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] **applicant or recipient** seeks assistance.

(2) If the [caretaker relative] **department determines that the applicant or recipient** fails to cooperate as set forth in section 432.7 of this act, unless the failure to cooperate was for good cause, the department shall notify the [caretaker relative] **applicant or recipient** 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. **Any hearing or appeal with respect to the notice of noncooperation issued by the department shall be conducted in accordance with the department's regulations governing an applicant's or a recipient's right to hearings.**

(3) Subject to Federal approval, only when necessary, if after notice and opportunity for hearing the court or domestic relations section determines that the applicant or recipient failed to cooperate as set forth in section 432.7 of this act and lacked good cause for such failure, the court shall order the department to terminate assistance for the applicant or recipient. In addition, the court shall notify the department of any finding on noncooperation, and the department shall impose a protective payment for any child so affected and shall issue a notice confirming implementation of such protective payment to the applicant or recipient. The department shall implement the order of the court within ten days of receipt. Any hearings or appeals with respect to the recommendation and order of noncooperation directed by the court shall be conducted in accordance with the Pennsylvania Rules of Civil Procedure governing actions for support. The decision to hold hearings for noncooperation cases shall be at the option of the court or domestic relations section. If the court or domestic relations section chooses not to conduct the hearings on noncooperation, appropriate court or domestic relations personnel shall be available to provide testimonial evidence at the time and location set by the department for the departmental appeal hearing. A finding of noncooperation of an applicant or recipient shall not affect an obligor's duty to pay support.

Section 14. Section 432.12 of the act, amended or added July 15, 1976 (P.L.993, No.202) and April 8, 1982 (P.L.231, No.75), is amended to read:

Section 432.12. Determination of Need.--(a) In determining need for aid to families with dependent children, the **gross**

income of all members of the assistance [unit] **group** who are fourteen years of age or older shall be considered except the **gross** income of a member of the assistance [unit] **group** who is between the ages of fourteen and twenty-one, is a full or part-time student, and is not employed full time[. In determining eligibility, a part of the income may be excluded if attributable to the earning of income.] **or income which is specifically excluded by Federal or State law. Fifty percent of gross earned income shall be disregarded when determining eligibility for recipients. Any changes to that percentage shall be promulgated as regulations and shall be subject to the availability of Federal and State funds for cash assistance, as certified by the Secretary of the Budget.**

In determining need for general assistance, the department shall take into consideration [all] **the gross income which is not excluded by Federal or State law**, excluding that amount equal to the expenses reasonably attributable to the earning of income up to twenty-five dollars (\$25) per month, of all members of the assistance [unit] **group** who are fourteen years of age or older. The deduction shall be considered to cover all transportation expenses related to employment, all child and adult care related to employment, all other expenses attributed to employment such as but not limited to union dues, uniforms and the like, and all deductions over which the employee has no control such as but not limited to Federal and State income tax. In addition to said work related expenses, a work incentive equal to the first twenty dollars (\$20) plus fifty percent of the next sixty dollars (\$60) may be deducted from the gross monthly wages of each employed recipient of general assistance for a period not to exceed four months. The general assistance grant shall be computed on the remainder.

(b) Income as used in subsection (a) includes [benefits] **assistance** in cash or in kind (other than the rental value of living accommodations), as defined by the department in accordance with Federal law and regulations.

(c) In establishing financial eligibility and the amount of the assistance payment in both the aid to families with dependent children program and the general assistance program, the department may consider the income of certain individuals as if it were actually available to [other household members] **the assistance group residing in the household** notwithstanding the fact that the income may not be actually available to other household members. Income of stepparents living in a household shall be considered available to the [household] **assistance group** 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 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 14.1. Section 432.19 of the act, added April 8, 1982 (P.L.231, No.75), is amended to read:

Section 432.19. Verification of Eligibility.--[The department may issue regulations requiring that certain] **All** conditions of eligibility for assistance **shall** be verified prior to authorization of assistance or during a redetermination of a recipient's eligibility[.] **unless the verification is pending from a third party and the applicant has cooperated in the verification attempt in accordance with department standards or unless certification of cooperation is pending with the domestic relations section pursuant to section 432.6.** Initial authorization of assistance shall not be delayed more than [fifteen] **thirty** days after application [for purposes of verification of eligibility if the applicant has cooperated in the verification attempt]. **If the applicant establishes eligibility, assistance will be initially authorized effective with the date that all conditions of eligibility are verified.** 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 14.2. The act is amended by adding sections to read:

Section 432.22. Aliens.--A person who is not a citizen of the United States shall be ineligible for assistance unless specifically required by Federal law.

Section 434. Diminishment of Welfare Payment.--To the extent permitted by Federal law and regulations, assistance granted under this article shall be diminished by amounts the recipient obtains by cashing an assistance check at a gambling casino, racetrack, bingo hall or other establishment which derives more than fifty percent of its gross revenues from gambling.

Section 15. Section 442.1 of the act, amended June 30, 1995 (P.L.129, No.20), is amended to read:

Section 442.1. The Medically Needy; Determination of Eligibility.--(a) A person shall be considered medically needy if [he] **that person meets the requirements of clauses (1), (2) and (3):**

(1) Resides in Pennsylvania[, regardless of the duration of his residence or his absence therefrom;] **continuously for ninety days immediately preceding the effective date of eligibility, except for persons eligible for federally funded categories of medical assistance.**

(2) Meets the standards of financial **and nonfinancial** 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.[; and

(3) Is twenty-one years of age or older and receives or is eligible to receive general assistance benefits.

(b) Persons who are not eligible for cash assistance by reason of section 432(3)(i) shall be considered medically needy.]

(3) Complies with either subclause (i) or (ii):

(i) Receives general assistance in the form of cash.

(ii) Is not eligible for cash assistance but is:

(A) a child under twenty-one years of age;

(B) a custodial parent of a dependent child under twenty-one years of age;

(C) a person fifty-nine years of age or older;

(D) a refugee for whom Federal financial participation is available;

(E) a pregnant woman;

(F) a person with a disability who is receiving Social Security disability benefits, who has been referred to the Social Security Administration for a determination of eligibility for Supplemental Security Income or who is under review for a disability by the department based upon Social Security disability criteria; or

(G) a person who verifies employment of at least one hundred hours per month earning at least the minimum wage.

(c) Medical assistance benefits can be authorized retroactively for an eligible person who requests coverage for an unpaid medical expense which was incurred during a period up to three months prior to the month of application. In determining eligibility, all income received or expected to be received in a six-month period shall be counted even if the person requests medical assistance coverage for less than six months. If retroactive medical assistance coverage is requested, the six-month period can combine both retroactive and prospective periods. Medical assistance coverage can continue as long as the need exists, but no longer than the six-month period from which income is counted.

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

Section 448. Medical Assistance Deductible.--Recipients of general assistance and general assistance-related medical assistance shall be responsible for a one hundred fifty dollar (\$150) deductible each fiscal year for medical assistance-compensable ambulatory surgical center services, inpatient hospital services or outpatient hospital services, excluding laboratory and x-ray services.

Section 449. Medical Assistance Pharmacy Services.--Any managed care entity under contract to the department must contract on an equal basis with any pharmacy qualified to participate in the Medical Assistance Program that is willing to comply with the managed care entity's pharmacy payment rates and terms and to adhere to quality standards established by the managed care entity.

Section 17. Section 481 of the act, amended April 8, 1982 (P.L.231, No.75), is amended to read:

Section 481. False Statements; Investigations; Penalty.--(a) Any person who, either prior to, or at the time of, or subsequent to the application for assistance, by means of a wilfully false statement or misrepresentation, or by impersonation or by wilfully failing to disclose a material fact regarding eligibility or other fraudulent means, secures, or attempts to secure, or aids or abets or attempts to aid or abet any person in securing assistance, or Federal food stamps, commits a crime which shall be graded as provided in subsection (b).

(b) Any person violating subsection (a) commits the grade of crime determined from the following schedule:

Amount of Assistance
or Food Stamps
\$3,000 or more
\$1,500 to \$2,999
\$1,000 to \$1,499
\$ 999 and under, or
an attempt to commit
any act prohibited in
subsection (a)

Degree of Crime

Felony of the third degree
Misdemeanor of the first degree
Misdemeanor of the second degree

Misdemeanor of the third degree
Pursuant to 42 Pa.C.S. § 1515(a)(7) (relating to jurisdiction and venue), jurisdiction over cases graded a misdemeanor of the third degree under this section shall be vested in district justices.

(c) 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. Notwithstanding the provisions of 18 Pa.C.S. § 1106(c)(2) (relating to restitution for injuries to person or property) to the contrary, 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] **that person** 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).

(e) The Treasury Department shall have the power to investigate and prosecute any case involving replacement of or duplicate receipt of or altered assistance checks and shall have the power to collect any funds as a result of such investigations and prosecution. For purposes of this section those employees of the Treasury Department as are designated "investigators" are given the power and authority to subpoena any document for review or audit and may question and subpoena any person believed to have any knowledge in such cases. The Treasury Department shall make such rules and regulations as may be necessary to carry out the provisions of this section.

(f) An applicant for or recipient of aid to families with dependent children or general assistance convicted of any offense pursuant to subsection (a) shall be ineligible to receive cash assistance for a period of six months from the date of a first conviction, for a period of twelve months from the date of a second conviction and permanently from the date of a third conviction.

Section 18. (a) The following sums, or as much thereof as may be necessary, are hereby appropriated from State and Federal funds in the General Fund to the Department of Public Welfare for the fiscal year July 1, 1995, to June 30, 1996, to carry out the provisions of this act:

(1) For "Medical Assistance -
Mental Health Services."
Federal appropriation..... 7,761,000

(2) For "Medicare Services - State
Mental Hospitals."
Federal appropriation..... 5,413,000

(3) For "Medical Assistance -
Outpatient."
Federal appropriation..... 9,890,000

(4) For medical assistance expenditures - inpatient services, exclusive of services provided through capitation plans.
State appropriation..... 60,402,000

(5) For "Medical Assistance - Inpatient."
Federal appropriation..... 70,601,000

(6) For "Medical Assistance - Capitation Plans."
Federal appropriation..... 1,703,000

(b) The appropriations in subsection (a) are in addition to the appropriations under section 220 of the act of June 30, 1995 (P.L.749, No.5A), known as the General Appropriation Act of 1995.

Section 19. Within 90 days of the effective date of this section, the Department of Public Welfare shall submit to the appropriate Federal agency a request for necessary waivers of Federal law and regulations and for any other approvals by the Federal Government necessary for the implementation of the changes and additions made by this act. It is the obligation of the department to enter into good faith negotiations with the appropriate Federal authorities and to make every effort to obtain the necessary Federal waivers and approvals.

Section 20. Upon receipt of approval by the Federal Government of the changes and additions made by this act, the Department of Public Welfare shall transmit to the Legislative Reference Bureau notice of the approval for publication in the Pennsylvania Bulletin. Notice shall include the announcement of implementation of the provisions to be in effect for 180 days, pending adoption of rulemaking by the department pursuant to the Joint Committee on Documents Resolution 1994-1, 24 Pa.B. 2347 (April 30, 1994).

Section 21. The Department of Public Welfare shall promulgate final-form regulations which omit notice of proposed rulemaking for the purpose of implementing sections 405.1, 405.3, 408, 432.3, 432.6 and 432.7 of the act. These regulations shall be submitted to the Legislative Reference Bureau for publication no later than December 18, 1996. This section shall expire December 19, 1996.

Section 22. The following appropriations in section 220 of the act of June 30, 1995 (P.L.749, No.5A), known as the General Appropriation Act of 1995, are repealed to the extent indicated:

(1) The State appropriation for mental health services is repealed to the extent of \$35,947,000.

(2) The State appropriation for cash assistance is repealed to the extent of \$4,823,000.

(3) The State appropriation for medical assistance - capitation plans is repealed to the extent of \$17,134,000.

(4) The State appropriation for medical assistance - long-term care facilities is repealed to the extent of \$2,498,000.

Section 23. This act shall take effect as follows:

(1) The amendment or addition of sections 405.1, 405.3, 405.5, 432(5)(ii), 432.3, 432.5, 432.12 and 448 of the act shall take effect October 1, 1996.

(2) The remainder of this act shall take effect immediately.

THOMAS J. RIDGE