

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2494 Session of
2008

INTRODUCED BY DENLINGER, ARGALL, BARRAR, BEAR, BENNINGHOFF,
BOYD, CAPPELLI, CAUSER, CLYMER, COX, CREIGHTON, CUTLER,
DALLY, EVERETT, FLECK, GABIG, GEIST, GINGRICH, GRELL,
HARHART, HARRIS, HERSHEY, HESS, HICKERNELL, HUTCHINSON,
KAUFFMAN, M. KELLER, MAJOR, MANTZ, MARSHALL, McILHATTAN,
MILLARD, R. MILLER, MOUL, MOYER, MUSTIO, PAYNE, PEIFER,
PERRY, PHILLIPS, PICKETT, PYLE, QUIGLEY, RAPP, REED,
REICHLEY, ROAE, RUBLEY, SAYLOR, SONNEY, STAIRS, STERN,
R. STEVENSON, SURRA, SWANGER, TRUE, TURZAI, VULAKOVICH AND
WATSON, MAY 2, 2008

REFERRED TO COMMITTEE ON APPROPRIATIONS, MAY 2, 2008

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,
2 as amended, "An act relating to the finances of the State
3 government; providing for the settlement, assessment,
4 collection, and lien of taxes, bonus, and all other accounts
5 due the Commonwealth, the collection and recovery of fees and
6 other money or property due or belonging to the Commonwealth,
7 or any agency thereof, including escheated property and the
8 proceeds of its sale, the custody and disbursement or other
9 disposition of funds and securities belonging to or in the
10 possession of the Commonwealth, and the settlement of claims
11 against the Commonwealth, the resettlement of accounts and
12 appeals to the courts, refunds of moneys erroneously paid to
13 the Commonwealth, auditing the accounts of the Commonwealth
14 and all agencies thereof, of all public officers collecting
15 moneys payable to the Commonwealth, or any agency thereof,
16 and all receipts of appropriations from the Commonwealth,
17 authorizing the Commonwealth to issue tax anticipation notes
18 to defray current expenses, implementing the provisions of
19 section 7(a) of Article VIII of the Constitution of
20 Pennsylvania authorizing and restricting the incurring of
21 certain debt and imposing penalties; affecting every
22 department, board, commission, and officer of the State
23 government, every political subdivision of the State, and
24 certain officers of such subdivisions, every person,
25 association, and corporation required to pay, assess, or
26 collect taxes, or to make returns or reports under the laws

1 imposing taxes for State purposes, or to pay license fees or
2 other moneys to the Commonwealth, or any agency thereof,
3 every State depository and every debtor or creditor of the
4 Commonwealth," providing for Department of Public Welfare
5 budget implementation and for restrictions on certain
6 appropriations.

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

9 Section 1. The act of April 9, 1929 (P.L.343, No.176), known
10 as The Fiscal Code, is amended by adding an article to read:

11 ARTICLE XVII-E

12 BUDGET IMPLEMENTATION FOR

13 FISCAL YEAR 2007-2008

14 SUBARTICLE A

15 PRELIMINARY PROVISIONS

16 Section 1701-E. Applicability.

17 Except as otherwise provided in this article, this article
18 applies to the General Appropriation Act of 2007.

19 Section 1702-E. Definitions.

20 The following words and phrases when used in this article
21 shall have the meanings given to them in this section unless the
22 context clearly indicates otherwise:

23 "Annual report." The report the Department of Public Welfare
24 files with the Federal Department of Health and Human Services
25 pursuant to 45 CFR 265.9 (relating to what information must the
26 State file annually?).

27 "Department." The Department of Public Welfare of the
28 Commonwealth.

29 "General Appropriation Act." The act of _____ (P.L.
30 , No.), known as the General Appropriation Act of 2007.

31 "General assistance." As defined in section 402 of the act
32 of June 13, 1967 (P.L.31, No.21), known as the Public Welfare

1 Code.

2 "Line items which support income assistance." As set forth
3 in the General Appropriation Act, State appropriations for the
4 line items for the Department of Public Welfare entitled:

5 (1) For general government operations of the Department
6 of Public Welfare.

7 (2) For information systems.

8 (3) For Statewide operations related to county
9 administration of the public assistance and medical
10 assistance programs.

11 (4) For county assistance office operations related to
12 administration of the public assistance and medical
13 assistance programs.

14 (5) For cash assistance grants, including employment and
15 training and child care services for cash assistance
16 recipients and child care services for former cash assistance
17 recipients.

18 "Officers of the General Assembly." The President pro tempore
19 of the Senate, the Majority Leader of the Senate, the Minority
20 Leader of the Senate, the chairman of the Public Health and
21 Welfare Committee of the Senate, the minority chairman of the
22 Public Health and Welfare Committee of the Senate, the chairman
23 of the Appropriations Committee of the Senate and the minority
24 chairman of the Appropriations Committee of the Senate, the
25 Speaker of the House of Representatives, the Majority Leader of
26 the House of Representatives, the Minority Leader of the House
27 of Representatives, the chairman of the Health and Human
28 Services Committee of the House of Representatives, the minority
29 chairman of the Health and Human Services Committee of the House
30 of Representatives, the chairman of the Appropriations Committee

1 of the House of Representatives and the minority chairman of the
2 Appropriations Committee of the House of Representatives.

3 "Secretary." The Secretary of Public Welfare of the
4 Commonwealth.

5 "State appropriation." The appropriation by the General
6 Assembly of Commonwealth funds. The term does not include the
7 appropriation of Federal funds.

8 "TANF." As defined in 45 CFR 260.30 (relating to what
9 definitions apply under the TANF regulations?).

10 "Work verification plan." As set forth in 45 CFR 261.62(b)
11 (relating to what must a State do to verify the accuracy of its
12 work participation information?), the document the Department of
13 Public Welfare must submit to the Federal Department of Health
14 and Human Services to ensure accuracy in the reporting of work
15 activities by individuals receiving TANF.

16 SUBARTICLE B

17 EXECUTIVE DEPARTMENT

18 Section 1711-E. (Reserved).

19 Section 1712-E. (Reserved).

20 Section 1713-E. (Reserved).

21 Section 1714-E. (Reserved).

22 Section 1715-E. (Reserved).

23 Section 1716-E. (Reserved).

24 Section 1717-E. (Reserved).

25 Section 1718-E. (Reserved).

26 Section 1719-E. (Reserved).

27 Section 1720-E. (Reserved).

28 Section 1721-E. (Reserved).

29 Section 1722-E. (Reserved).

30 Section 1723-E. (Reserved).

1 Section 1724-E. (Reserved).

2 Section 1725-E. (Reserved).

3 Section 1726-E. (Reserved).

4 Section 1727-E. (Reserved).

5 Section 1728-E. (Reserved).

6 Section 1729-E. Department of Public Welfare.

7 The following shall apply to appropriations for the
8 Department of Public Welfare from the General Appropriation Act:

9 (1) State appropriations for the Department of Public
10 Welfare from the General Fund, with the exception of line
11 items which support income assistance, the State Lottery Fund
12 and the Tobacco Settlement Fund shall be added together to
13 form an aggregate State appropriation for the department
14 which shall be disbursed by the State Treasurer on a
15 quarterly basis during the fiscal year.

16 (2) Line items which support income assistance shall be
17 disbursed by the State Treasurer on a quarterly basis during
18 the fiscal year. However, the State Treasurer shall disburse
19 the line items which support income assistance in an amount
20 subject to the provisions of this section.

21 (3) There shall be no supplemental appropriations for
22 the department for the fiscal year 2007-2008. No new line
23 item for the department budget may be created. Department
24 spending is restricted to line items set forth in the General
25 Appropriation Act.

26 (4) In accordance with Federal law, the department shall
27 comply with Federal mandatory work requirements for TANF as
28 set forth in 45 CFR 261.21 (relating to what overall work
29 rate must a State meet?) and 261.23 (relating to what two-
30 parent work rate must a State meet?).

1 (5) The following shall apply with respect to line items
2 which support income assistance:

3 (i) No later than November 15, 2007, the secretary
4 shall submit to the State Treasurer a copy of the
5 following documents which the department submits to the
6 Federal Department of Health and Human Services under
7 TANF for the Federal fiscal year ending September 30,
8 2007:

9 (A) Work verification plan.

10 (B) Quarterly reports submitted in accordance
11 with 45 CFR 265.3 (relating to what reports must the
12 State file on a quarterly basis?).

13 (C) Annual report.

14 (D) Any other documents submitted in accordance
15 with 45 CFR Pt. 265 (relating to data collection and
16 reporting requirements) which the Commonwealth
17 submits to the Federal Department of Health and Human
18 Services so that it can determine whether the
19 Commonwealth has met the mandatory work participation
20 requirements of TANF as set forth in 45 CFR 261.21
21 and 261.23.

22 (ii) The State Treasurer shall review the documents
23 submitted by the secretary and shall make a determination
24 by December 15, 2007, as to whether the Commonwealth is
25 in compliance with the mandatory work participation
26 requirements set forth in 45 CFR 261.21 and 261.23 for
27 the Federal fiscal year ending September 30, 2007. The
28 State Treasurer shall submit a written statement
29 regarding his determination to the officers of the
30 General Assembly, the secretary and the Inspector General

1 and shall publish in the Pennsylvania Bulletin notice of
2 whether the department is in compliance with the
3 mandatory work participation requirements.

4 (iii) At the same time the secretary submits
5 documents related to TANF to the State Treasurer in
6 accordance with subparagraph (i), the secretary shall
7 also provide a written statement to the State Treasurer
8 that the Commonwealth is in compliance with the mandatory
9 work participation requirements set forth in 45 CFR
10 261.21 and 261.23 for the Federal fiscal year ending
11 September 30, 2007, or a written statement that the
12 Commonwealth is not in compliance with these
13 requirements. In addition, the secretary shall provide a
14 copy of the written statement to the officers of the
15 General Assembly and the Inspector General at the same
16 time the secretary submits the documents related to TANF
17 set forth in subparagraph (i) to the State Treasurer.

18 (iv) The secretary shall submit a copy of the
19 documents set forth in subparagraph (i) to the officers
20 of the General Assembly and the Inspector General at the
21 same time the secretary submits the documents to the
22 State Treasurer.

23 (6) With respect to line items associated with income
24 assistance, if any of the conditions set forth in paragraph
25 (7) are met during a quarter, the State Treasurer shall not
26 disburse an amount which represents one quarter of the line
27 items which support income assistance but shall instead
28 disburse an amount which is equal to one quarter of the
29 amount set forth for the line items which support income
30 assistance less 10% of the amount for each line item

1 comprising the line items which support income assistance as
2 set forth in the General Appropriation Act. However, in no
3 case shall the reduction set forth in this paragraph apply
4 more than once during a fiscal year. The reduction shall
5 apply to the quarter immediately succeeding the quarter in
6 which paragraph (7) applies.

7 (7) The following conditions apply to paragraph (6):

8 (i) The secretary submits a written statement in
9 accordance with paragraph (5)(iii) that the Commonwealth
10 is not in compliance with the mandatory work
11 participation requirements set forth in 45 CFR 261.21 and
12 261.23 for the Federal fiscal year ending September 30,
13 2007.

14 (ii) The State Treasurer determines in accordance
15 with paragraph (5)(ii) that the Commonwealth is not in
16 compliance with the mandatory work participation
17 requirements set forth in 45 CFR 261.21 and 261.23 for
18 the Federal fiscal year ending September 30, 2007.

19 (iii) The Commonwealth is found by the Federal
20 Department of Health and Human Services not to be in
21 compliance with mandatory work participation rates set
22 forth in 45 CFR 261.21 and 261.23 for the Federal fiscal
23 year ending September 30, 2007.

24 (8) If the provisions of paragraph (7) apply during a
25 quarter, the amount of State appropriation which represents
26 the amount equal to the reduction set forth in paragraph (6)
27 shall be deposited by the State Treasurer in the Budget
28 Stabilization Reserve Fund.

29 (9) Beginning with the second quarter, in regard to
30 general assistance the Commonwealth shall achieve the minimum

1 work participation rate of 50% overall for individuals and
2 families and 90% for two-parent families with respect to work
3 activities. The secretary shall submit data to the State
4 Treasurer regarding work activities and caseloads sufficient
5 to enable the State Treasurer to determine whether the
6 requirements of this paragraph are met. For purposes of this
7 paragraph, an individual or family shall be deemed to be
8 engaged in work if they meet the requirements regarding work
9 of individuals receiving general assistance set forth in the
10 act of June 13, 1967 (P.L.31, No.21), known as the Public
11 Welfare Code.

12 (10) (i) In the event the Commonwealth fails to meet
13 the minimum work participation rates set forth in
14 paragraph (9) in a quarter, as determined by the State
15 Treasurer, then the State Treasurer shall not disburse an
16 amount which represents one quarter of the line items
17 which support income assistance but shall instead
18 disburse an amount which is equal to one quarter of the
19 amount set forth for the line items which support income
20 assistance less 10% of the amount for each line item
21 comprising the line items which support income assistance
22 as set forth in the General Appropriation Act.

23 (ii) Beginning with the second quarter, if the
24 provisions of subparagraph (i) apply during a quarter,
25 the amount of State appropriation which represents the
26 reduction set forth in subparagraph (i) shall be
27 deposited by the State Treasurer in the Budget
28 Stabilization Reserve Fund.

29 (iii) The State Treasurer shall submit a written
30 statement regarding his determination to the officers of

1 the General Assembly, the secretary and the Inspector
2 General and shall publish in the Pennsylvania Bulletin
3 notice of whether the Commonwealth is in compliance with
4 the mandatory work participation requirements of
5 paragraph (9).

6 (11) In no case shall the reduction in paragraph (10)
7 apply more than once in the fiscal year.

8 (12) In the case of the Commonwealth failing to meet the
9 requirements of paragraph (4) or (9) in a quarter, the
10 reduction for failing to meet work participation rates under
11 TANF or general assistance shall be assessed only once
12 regardless of how many times the State Treasurer publishes
13 notice of noncompliance.

14 Section 2. This act shall take effect immediately.