

		This document is to be used by IRRC RECEIVED 2000 FEB 17 PM 4:00 REGULATORY REVIEW COMMISSION Mizner IRRC Number: 2099
(1) Agency Department of Public Welfare Bureau of Employment and Training Programs Bureau of Child Day Care Services		
(2) I.D. Number (Governor's Office Use) # 14-466		
(3) Short Title Child Care/Subsidized Child Care Eligibility Regulation		
(4) PA Code Cite 55 PA Code Chapter 168 55 PA Code Chapter 3040	(5) Agency Contacts & Telephone Numbers Primary Contact: Kathryn J. Holod Office of Children, Youth and Families 787-8691	
(6) Type of Rulemaking (check one) <input type="checkbox"/> Proposed Rulemaking <input type="checkbox"/> Final Order, Adopting Regulation <input checked="" type="checkbox"/> Final Order, Proposed Rulemaking Omitted	(7) Is a 120-Day Emergency Certification Attached? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes: By the Attorney General <input type="checkbox"/> Yes: By the Governor	
(8) Briefly explain the regulation in clear and nontechnical language. <u>55 PA Code – Chapter 168</u> Section 168.41(3) establishes that child care costs no longer have to be verified by the parent on a monthly basis. Section 168.74(1) – (3) establishes how the co-payment is calculated for the first three months the client has earned income. After the third month, the co-payment does not change between redeterminations unless the client requests a review of the co-payment or there is a change in employment. <u>55 PA Code – Chapter 3040</u> Section 3040.28(1) is revised to allow a teen parent and her child to be eligible for subsidized child care without considering the circumstances of the teen parent's parents. Section 3040.32(f) establishes that families are eligible for subsidized child care when their income does not exceed 200% of the Federal Poverty Income Guidelines (FPIG). Under the regulations, they can continue to receive subsidy until their income reaches 235% of the FPIG. Section 3040.34(a)(3)(iii) clarifies a parent under age 22 who is attending high school is exempt from work requirements. <div style="text-align: right;">(continued on attachment)</div>		
(9) State the statutory authority for the regulation and any relevant state or federal court decisions. Articles II, IV and VII of the Public Welfare Code, 62 P.S. Sections 201-211, 401-493 and 701-703; and Title VI of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), Pub. L. 104-193, 42 U.S.C. §§ 9858-9858(q) (CCDBG).		

(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

No.

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

55 PA Code – Chapter 168

A change in the current regulation is needed so that parents receiving TANF benefits will not experience a co-payment change every time their income increases. The change permitting child care providers to send invoices directly to the County Assistance Office (CAO) is needed to permit child care providers who participate in the vendor payment system to receive more timely payments for providing child care services to children whose parents receive Temporary Assistance for Needy Families (TANF) benefits.

55 PA Code – Chapter 3040

3040.28

The Department is changing the eligibility requirements for teen parents so that teen parents can apply for subsidized child care without consideration of the circumstances of the teen parent's parents, making it easier for teen parents to qualify for child care subsidy for their children and thus remain in high school.

3040.32(f) and (g)

Under the current regulation, families are eligible for subsidized child care if their income does not exceed 185% of the FPIG and they can remain eligible until their income reaches 235% of the FPIG. The Department recognizes that more families could benefit from assistance with their child care costs. Under the new regulations, families are eligible for subsidized child care if their income does not exceed 200% of the FPIG at initial application and they can remain eligible until their income reaches 235% of the FPIG.

(continued on attached page)

(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.

55 PA Code, Chapter 168

Failure to implement these changes could result in fewer child care providers who are willing to care for TANF-eligible children, thus reducing child care options for the parents who receive TANF benefits.

55 PA Code, Chapter 3040

Failure to implement these changes could result in: 1) more teen parents being ineligible for subsidized child care; 2) families with annual income between 185% and 200% of the FPIG being ineligible for subsidized child care; and 3) families paying a greater portion of their income for a weekly co-payment.

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

55 PA Code, Chapter 168

These changes will benefit regulated child care providers who provide care to TANF-eligible children and who participate in the Department's child care vendor payment system, by assuring that these providers receive more timely payments.

55 PA Code, Chapter 3040

These changes will benefit nearly 90,000 families who now receive subsidized child care and who will experience a decrease in the weekly co-payment. In addition, families will not realize a co-payment increase as quickly as their income increases because the change in the co-payment schedule broadens the income brackets between co-payment increases from a \$5 increase with each additional \$1,650 per year to a \$5 increase with each additional \$2,000 per year.

(continued on attached page)

Regulation 108-00-0000

(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

No families will be adversely affected by these regulation changes.

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

Approximately 105,000 working TANF, former TANF and low-income working families receive subsidized child care annually and will have to comply with these regulations. Child care providers who participate in the subsidized child care program, eligibility agents with whom the Department contracts, and employees of the CAOs will also have to comply with the regulations.

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

Chapter 168

Many advocates and child care providers have voiced concerns about the delay in child care payments that child care providers experience when serving a child whose family receives TANF benefits. The groups suggested that payment to the provider not be dependent on the TANF parent's responsibility to comply with monthly reporting requirement at the CAO.

Chapter 3040

Since revisions in the current regulations were announced in the fall of 1999, families, providers, advocates and legislators have commented that the weekly co-payment amounts and income limits still presented a hardship for some families. These groups suggested that the co-payments be lowered and the income limit for subsidized child care be increased. These groups also suggested that the Department change the eligibility requirements that consider the circumstances of teen parents' parents when determining eligibility for child care.

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

The entire population of TANF, former TANF and low-income working families will be subject to the new co-payment schedule. The new co-payment schedule includes decreases for nearly 90,000 families. Other families will not realize any changes under the new co-payment schedule if they are already paying the lowest possible co-payment of \$5 per week. The weekly co-payments for some families will decrease as shown below:

<u>Family Size</u>	<u>Annual Income</u>	2-1-00	4-1-00
		<u>Current Weekly Co-payment</u>	<u>New Weekly Co-payment</u>
2	\$17,500	\$35	\$30
3	\$15,500	\$25	\$20

(continued on attached page)

(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

N/A

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required.

The Department has two types of costs associated with these regulations.

First, the cost to implement the co-payment changes resulting from these regulations is \$4.89 million in State Fiscal Year 1999-00. The Department has the funds in the current child care services appropriation and cash grant appropriation to meet the cost. For future years, the cost of the co-payment change is approximately \$19.67 million per year for a 12-month period, beginning July 1, 2000. Funding is included in the child care services appropriation and cash grant appropriation in the Governor's Executive Budget for State Fiscal Year 2000-01.

Second, the cost to increase the income limit for families at application from 185% of the FPIG to 200% of the FPIG in State Fiscal Year 1999-00 is \$5.3 million for the period from April 1, 2000 through June 30, 2000 and \$21 million on an annual basis beginning in State Fiscal Year 2000-01. For Fiscal Year 1999-00, these costs can be absorbed within the existing child care services appropriation. While the Department is unable to estimate the exact number of teen parents who will be eligible for subsidized child care, past experience has indicated that fewer than 350 children of teen parents received subsidized child care. Even if the enrollment doubled to an estimated 700 children per month, there are funds in the current child care services budget to serve the children of teen parents. Teen parents who are eligible for subsidized child care have the same access to subsidized child care as other eligible families. For Fiscal Year 2000-01, the funds are included in the Governor's Executive Budget for State Fiscal Year 2000-01.

Steve Lopez

(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.
 (\$ Amounts in Thousands)

	FY Year 1999-2000	FY +1 Year 2000-2001	FY +2 Year 2001-2002	FY +3 Year 2002-2003	FY +4 Year 2003-2004	FY +5 Year 2004-2005
SAVINGS:	\$	\$	\$	\$	\$	\$
Regulated Community	\$10.19	\$40.67	\$40.67	\$40.67	\$40.67	\$40.67
Local Government						
State Government						
Total Savings						
COSTS (Chapter 3040:)						
Regulated Community						
Local Government						
State Government Total	\$10.19	\$40.67	\$40.67	\$40.67	\$40.67	\$40.67
Child Care Services	\$8.20	\$32.70	\$32.70	\$32.70	\$32.70	\$32.70
Cash Grants Program	\$1.99	\$7.97	\$7.97	\$7.97	\$7.97	\$7.97
Total Costs						
REVENUE LOSSES:						
Regulated Community						
Local Government						
State Government						
Total Revenue Losses						

(20a) Explain how the cost estimates listed above were derived.

Most families receiving subsidized child care realize a savings due to the decrease in the amount of the weekly co-payments. Families whose income is between 185% and 200% of the FPIG and teen parents who were previously not eligible for subsidized child care will realize a savings.

There is no cost to local government.

There is a cost to state government for both regulatory changes.

First, there are additional costs to state government to implement the co-payment schedule for State Fiscal Year 1999-00. The cost is \$4.89 million. There is \$2.9 million from the child care services appropriation and \$1.99 million from the cash grant appropriation to cover this cost. The estimated cost to state government for State Fiscal Year 2000-01 is \$19.67 million. There will be an estimated \$11.7 million from the child care services appropriation and an estimated \$7.97 million from the cash grant appropriation to cover this cost.

The Department determined the total cost to state government for the co-payment change by completing an analysis of the decrease in the co-payment for each identified income bracket for all family sizes. The Department then took the number of families in each of these income brackets and calculated the weekly co-payment decreases. The Department then annualized the weekly decreases to arrive at the total amount of the state's increased cost.

(continued on attached page)

John Kashy

(20b) Provide the past three year expenditure history for programs affected by the regulation.

(Dollar amounts in thousands)

Program	FY -3 1996-1997	FY -2 1997-1998	FY -1 1998-1999	Current FY 1999-2000
Chapter 168				
Cash Grants (State)	\$523,236	\$373,388	\$259,688	\$211,394
Cash Grants (Federal)	\$496,892	\$500,059	\$537,333	\$588,333
Chapter 3040				
Child Care Services (State)	\$ 48,309	\$ 47,717	\$ 57,545	\$ 58,513
Child Care Services (Federal)	\$ 74,539	\$ 101,627	\$109,873	\$126,804

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

Decreasing the co-payment amount for some families means they will receive a larger subsidy from the Department for their child care costs. By increasing the income limits for a family to qualify at initial application from 185% to 200% of the FPIG, approximately 10,500 additional children will qualify for subsidized child care. Families eligible for subsidy whose income increases to more than 200% of the FPIG but does not exceed 235% of the FPIG will pay a reasonable co-payment which helps prepare them for the total cost of child care once they are no longer eligible for subsidized child care. Teen parents who previously were not eligible for subsidized child care can receive subsidy and remain in school. Because of this increase in availability of assistance with child care costs, these families are less likely to be at risk of welfare dependency.

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

There are no nonregulatory alternatives.

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

The Department's goal was to make co-payments more affordable without reducing the number of families being served. Reducing co-payments more could result in fewer families being served and a smaller reduction in co-payments would not have provided as much help to families receiving subsidy, so those alternatives were rejected.

The Department considered how much it could increase the income limit for a family's initial eligibility for subsidized child care, given the available funding. The Department selected 200% of the FPIG because it has the funds to provide subsidy to the estimated number of additional children whose families will become eligible at this level. Raising the income limit any further could result in larger and/or longer waiting lists.

(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

No provisions of these regulations are more stringent than federal standards. The CCDBG Act which authorizes states to pay for child care services offers states discretion in implementing their subsidized child care program to TANF, former TANF and low-income working families. The CCDBG Act requires states to have income guidelines for all families who participate in the subsidized child care program receiving CCDBG funding and a co-payment schedule based on income and family size.

(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

The example below shows that the new co-payment and income limits for Pennsylvania compared to the co-payment for surrounding states. The family includes one parent with two children receiving full-time subsidized child care. The family has an annual income of \$17,700. This example demonstrates that the new co-payment amounts are lower than those of surrounding states.

WEEKLY FAMILY CO-PAYMENTS

Pennsylvania	\$25.00 (new) \$35.00 (current)
New Jersey	\$43.90
Ohio	\$30.00
Maryland	\$41.86

Pennsylvania has an income limit of 200% of the FPIG for a family to be eligible for subsidized child care. That limit is higher than other states.

INCOME LIMITS

Pennsylvania	200% of the FPIG (initial application) 235% of the FPIG (continued eligibility)
New Jersey	200% of the FPIG
Ohio	185% of the FPIG
Maryland	182% of the FPIG

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

No.

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

No.

(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

55 PA Code, Chapter 168

The changes to the current regulations will require significant changes to the software programs that are used to manage the child care system for children whose families receive TANF. The changes will also lessen the paperwork requirement for parents to submit information on child care costs.

55 PA Code, Chapter 3040

The changes to the current regulations will require some minor changes to the software programs that are used to manage the subsidized child care program. No current report forms or other record keeping forms will be affected. The change also lessens the paperwork requirement for eligibility agents because parents will not be making as frequent reports about changes in income.

Prior to April 1, 2000, the eligibility agents, the Child Care Information Services agencies in each county, will experience a time-limited increase in paperwork because they will need to complete a new co-payment determination and resulting paperwork for all families receiving subsidized child care. In addition, because more families will be eligible for the subsidized child care program, the CCIS will have to process additional paperwork to complete the eligibility process.

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

None.

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

The regulation will be effective upon publication on or after April 1, 2000

(31) Provide the schedule for continual review of the regulation.

The Department will revise the actual dollar amounts to qualify for subsidized child care and the corresponding co-payment charts annually based on the annual change to the FPIG. The Department also will continue its monitoring of the impact of the regulations on all families who receive subsidized child care.

Continuation Page

#8

Section 3040.34(a)(4) establishes that a parent who is under 18 years of age and who has not graduated from high school and does not have a GED must be enrolled in an education program and attend on a full-time basis.

Section 3040.35(1) and (3) establishes that a parent does not have to report an increase of earned income from employment or self-employment that is not a result of a change in employment.

Section 3040.63 establishes the revised standards to calculate the parents' co-payment and refers to Appendix B, which is the revised co-payment schedule. The changes in the co-payment schedule:

- 1) revise the brackets of income between co-payment increases from \$1,650 to \$2,000 in annual income. The result is that a family can earn more income without having an increase in its weekly co-payment; and
- 2) reduce the amount of co-payments for all families that pay more than the minimum co-payment of \$5 per week.

#11

3040.35

The Department is eliminating the requirement that families report routine increases in their earned income from employment, which could result in an increase in their weekly co-payment, in between redeterminations of eligibility. The changes in income will not result in a co-payment change until the next redetermination of eligibility or the six months redetermination. This change will prevent fluctuations in families' weekly co-payments and allow them to better predict their child care costs.

3040.63

The Department is revising the co-payment schedule to provide that a family's annual co-payment may not exceed 11% of the family's annual income and that a family's annual co-payment may not exceed 8% of the family's annual income if that income does not exceed 100% of the FPIG. The changes in the co-payment schedule also allow a family to realize a larger increase in income without being assessed a higher weekly co-payment.

#13

All non-TANF families receiving subsidized child care will be relieved of their responsibility to report increases in earned income from the same employer that occur prior to the next scheduled eligibility redetermination. This change allows parents greater flexibility in planning their household budgets. This change also reduces the eligibility agent's administrative time spent recalculating co-payments and notifying parents and child care providers of changes.

Nearly 10,500 children of families who are not currently eligible for subsidized child care because the family's income is more than 185% of the FPIG and not more than 200% of the FPIG, will now be eligible for subsidized child care.

The teen parent can apply for subsidized child care for herself and her child without her parents' cooperation in the application process.

#17

It is anticipated that those former TANF families and low-income working families who will realize a decrease in their co-payments will pay a total of \$17.33 million less on an annual basis. We also anticipate that those TANF families who will realize a decrease in their co-payments will pay a total of \$2.34 million less on an annual basis.

It is anticipated that an additional 10,500 children will be eligible for the subsidized child care program when the new regulation changes the income limit for families to be eligible at application from 185% of the FPIG to 200% of the FPIG. These families will realize a savings depending on the cost of their child care. For example, a family of four with two children and an annual income of \$33,000 per year will have a co-payment of \$ 65 per week. If the total cost of child care is \$200 per week, the family will be saving \$135 per week or \$6,750 per year.

#20a

Second, the Department has determined that the cost is \$5.3 million for State Fiscal Year 1999-00 to provide subsidized child care to families whose income is more than 185% of the FPIG and does not exceed 200% of the FPIG and are eligible for subsidized child care. There are adequate funds in the child care services budget in this fiscal year to support this change and no additional funds are needed. The Department determined the cost for State Fiscal Year 1999-00 by taking the annual cost of providing subsidy to 10,500 additional children who are expected to be eligible and prorating the cost to those children for a three-month period. The number is calculated by the cost of serving a child whose parents' income is between 185% and 200% of the FPIG and multiplying it times the estimated number of additional children who will be eligible for subsidized child care.

CDL-1

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#2099

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DEPARTMENT OF PUBLIC WELFARE
(Agency)

LEGAL COUNSEL: Jean E. Sheyball

DOCUMENT/FISCAL NOTE NO. #14-466

DATE OF ADOPTION: _____

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(Deputy General Counsel)
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Check if applicable. No Attorney General approval or objection within 30 days after submission.

DEPARTMENT OF PUBLIC WELFARE
OFFICE OF CHILDREN, YOUTH AND FAMILIES
[55 Pa. Code, Chapter 3040]
Subsidized Child Day Care Eligibility

OFFICE OF INCOME MAINTENANCE
[55 Pa. Code, Chapter 168]
Child Care

PREAMBLE

Statutory Authority

The Department of Public Welfare (Department), by this order, adopts amendments to 55 Pa. Code Chapters 168 and 3040, under the authority of Articles II, IV and VII of the Public Welfare Code (62 P.S. §§ 201-211, 401-493 and 701-703), and Title VI of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), Pub. L. 104-193, known as the Child Care and Development Block Grant (CCDBG) (42 U.S.C.A. §§ 9858-9858q).

Proposed rulemaking is omitted because the regulation relates to Commonwealth grants and benefits (45 P.S. § 1204 (1)(iv)). In addition, proposed rulemaking is omitted as unnecessary and contrary to public interest because these changes increase benefits to many families who are eligible for the subsidized child care program and make additional families eligible upon publication on or after April 1, 2000 (45 P.S. § 1204(3)). Therefore, the Department finds proposed rulemaking as unnecessary and contrary to public interest. By omitting proposed rulemaking, many families will receive increased benefits sooner.

Purpose of Amendments

Chapter 168 - These amendments will change certain sections of Chapter 168 relating to the determination of the family co-payment and the parent's verification of child care costs. The family's co-payment will not increase between redeterminations based solely on increases in income. The child care provider may submit an invoice directly to the County Assistance Office (CAO) for payment of child care costs instead of the provider submitting the invoice to the parent for submission with the parent's monthly reporting form. Both changes will permit more timely payment to child care providers participating in the Department's child care vendor payment system.

Chapter 3040 - These amendments will change certain sections of Chapter 3040 by increasing the income limits for low-income families to qualify for a child care subsidy at initial application; revising the weekly co-payment schedule; changing the reporting requirements for former welfare and low-income working families; and increasing teen parents' access to subsidized child care.

Background

The current regulations for subsidized child care are codified at 55 Pa. Code Chapters 168 and 3040. They became effective on February 1, 1999, and were amended effective February 1, 2000 at 29 Pa.B. 2642. Chapter 168 establishes eligibility criteria for child care benefits for families who are receiving cash assistance benefits under the Temporary Assistance for Needy Families (TANF) program. Chapter

3040 establishes eligibility criteria for families who formerly received cash assistance and for other low-income working families.

The regulations adopted in February 1999 set forth the rules for a coordinated child care system called Child Care Works. Child Care Works provides subsidized child care to families who receive TANF benefits, those transitioning off TANF, and low-income working families, by using similar rules and procedures to provide a continuum of child care benefits to these families. Child Care Works included elimination of the income disregard system for TANF families; elimination of the 12-month limit for child care benefits for former TANF families; increased co-payments for former TANF and low-income working families; and a lower income limit for families to receive subsidized child care. In addition, one of the Department's goals in implementing Child Care Works was to reduce the number of children of low-income working families on the statewide waiting list and the time that eligible children spend on the waiting list before receiving subsidized child care.

Since some of the changes in Child Care Works reduced benefits to some low-income working families who were receiving subsidized child care, the Department made a commitment to monitor the impact of the subsidized child care eligibility regulations on all families receiving subsidized child care. After monitoring the impact of the regulations, the Department noted a reduction in the statewide waiting lists and observed large increases in the number of children receiving a child care subsidy. Even with more children being served, the Department determined that it had adequate resources to make modest changes to the subsidized child care program without jeopardizing the progress made in meeting the needs of families who are eligible for subsidized child care or returning to long waiting lists. These changes were promulgated on December 11, 1999 at 29 Pa.B. 2642.

The Department continued its monitoring efforts and determined that the demand for subsidized child care from eligible low-income working families has leveled off. Also, in all but a few counties, waiting lists were eliminated, resulting in children waiting no more than a few weeks to receive a subsidy. The stabilization of the demand for subsidized child care and reduction of the waiting lists resulted in more funds being available for the subsidized child care program to serve additional children and/or make program revisions.

In addition to monitoring the impact of the subsidized eligibility regulations, the Department heard concerns from child care providers caring for children of TANF families that delays in the TANF payment system result in hardships to many child care providers. In reviewing the providers' concerns, the Department noted unintended consequences of waiting for monthly reporting income calculations for TANF families in order to determine the child care co-payment. These calculations are frequently delayed several months while CAO staff await complete information from TANF families. Since these monthly calculations result in changes to the family co-payment, which determines the payment to child care providers, the payments to providers are delayed. The Department determined that the stabilization of the amount of the family's

co-payment will enable regulated providers participating in the Department's vendor payment system to be paid more quickly.

The Department determined that because the demand for subsidized child care has stabilized, there are adequate resources to provide benefits to more families in the subsidized child care program, expand the benefits to families who are receiving subsidized child care, and still meet the child care needs of TANF, former TANF and low-income working families without substantially increasing the waiting lists.

To that end, the Department will:

- Expand the number of families who are eligible for subsidized child care by raising the income limit for families at initial application from 185% of the FPIG (\$25,678 for a family of three) to 200% of the FPIG (\$27,760 for a family of three).

The Department determined that resources are available to serve additional families with an income between 185% and 200% of the FPIG who are currently ineligible for subsidized child care. The Department selected 200% of the FPIG as the entry level for subsidized child care based on data from estimates of the number of families in the general population that will need and be eligible for subsidized child care. By increasing the income limit for initial eligibility for subsidized child care, the Department will be able to provide for a child care subsidy to approximately 10,500 additional children annually.

- Revise the standards for determining the amount of the co-payment by lowering the cap on the percentage of annual income a family would be required to pay as the co-payment, from 13.5% to 11.0% at 235% of the FPIG and from 10% to 8% at 100% of the FPIG. As a result, the weekly co-payment will decrease by \$5 to \$15 per week for nearly 90,000 families who are receiving subsidized child care and pay more than the minimum co-payment of \$5 per week. In addition, the Department is revising the co-payment structure by increasing the income brackets from \$1,650 to \$2,000 annually. Each increase in income which puts a family in a higher income bracket results in a \$5 per week increase in co-payment.

The Department is revising the co-payment schedule because it has the resources available to lower the co-payment amounts for families, which provides families with more available income to meet their living expenses. Also, the Department is revising the co-payment schedule so that a family is able to realize a larger increase in income without being assessed a higher weekly co-payment.

- Change the requirements for reporting increases in earned income to reduce the amount of time a parent spends in reporting changes and simplify the administrative process for eligibility agents. In order to accomplish this change, the Department has determined that an increase in earned income that does not

reflect a change in employment for TANF families, former TANF families and low-income working families will not result in a higher co-payment until the next redetermination. However, if the parent reports a decrease in income and requests a reevaluation of the weekly co-payment, the eligibility agent will recalculate the amount of the co-payment based on the decrease in income. If the recalculation results in a decrease in the parent's co-payment, the decrease in co-payment will be implemented without a redetermination of the family's eligibility.

The Department is changing the income reporting requirement. The current regulation requires parents to report each change in earned income, which may result in changes in their co-payment. The Department anticipates that eliminating the requirement to report every increase in earnings will reduce the time parents spend reporting changes to the eligibility agent and the administrative process of assessing and collecting co-payments. The new regulation stabilizes the co-payment amount in between redeterminations. This change, along with other procedural changes in the CAO, will result in more timely payments to child care providers who are participating in the Department's vendor payment system and who serve TANF children. The regulation change also simplifies the administrative process of assessing and collecting co-payments.

- Change the eligibility requirements for a teen parent living at home with her mother and/or father. With this change, a teen parent can apply for subsidized child care for her child without her parents' cooperation in the eligibility process.

In February 1999, the Department changed the subsidized child care regulation for teen parents who were not receiving TANF benefits to mirror the eligibility requirements for TANF benefits. Those eligibility requirements required teen parents to remain in school and reside with a responsible adult. Those requirements also mandated consideration of the circumstances of the teen parent's parents in order to receive TANF benefits. The subsidized child care regulatory change in February 1999 produced unintended consequences. The Department did not anticipate that many grandparents would not cooperate in the eligibility determination process to allow their teen parent's child to receive subsidized child care. Since February 1999, the Department has noted a decrease in the number of teen parents who apply for and receive subsidized child care.

The change in this regulation allows for a teen parent to be determined eligible for a child care subsidy without the consideration of the income of the teen parent's parents and availability of the grandparents to provide child care while the teen parent pursues an education program. In addition, teen parent's parents do not need to comply with the 25-hour-per-week work requirement. The new regulations provide that when determining a teen parent's eligibility for child care subsidy, the eligibility agent will consider only the teen parent's circumstances.

The Department wants teen parents to stay in school to get their high school diploma or pursue a General Equivalency Diploma (GED). A teen parent who has child care is more likely to remain in school. An individual with a high school diploma or GED is more likely to be employed and more likely to obtain employment at higher pay than an individual who has not completed high school. A teen parent who stays in school is also less likely to have subsequent unplanned pregnancies. The Department is making the regulatory change to assure that teen parents have access to subsidized child care.

Purpose of the Regulations

The purpose of the regulations is to increase the initial income limits for a family to qualify for the subsidized child care program from 185% to 200% of the FPIG; to cap the percentage of annual income a family pays as the co-payment at 11%; to stabilize a family's co-payment between redeterminations by not reevaluating the family's co-payment with each increase in earned income; and to provide increased access to a child care subsidy for teen parents as they pursue a high school diploma or a GED.

Summary of Changes:

There are two changes in Chapter 168: 1) the TANF parent is not required to verify child care costs on a monthly basis; and 2) a TANF parent's co-payment will not increase during the period between eligibility redeterminations based solely on increases in income.

There are four changes in Chapter 3040: 1) an increase in the initial income eligibility limits from 185% of the FPIG to 200% of the FPIG for a family to qualify for the subsidized child care program; 2) a revised co-payment schedule that increases the income brackets between co-payment levels from \$1,600 to \$2,000 for each additional \$5 increase in co-payment and reduces the percentage of family income used to pay the assessed co-payment, which reduces the weekly co-payment for families; 3) stabilization of the family co-payment during the period between eligibility redeterminations, which is achieved by changing the requirement of the family to report increases in earned income not associated with a change in employment status; and 4) a change in the eligibility requirements for subsidized child care for teen parents who are completing high school or getting their GED and who are living with their parents.

CHAPTER 168

Verification Requirements

Current Regulation - The current regulations require child care costs to be verified monthly by the parent.

New Regulation - Paragraph 168.41(3). The Department is deleting the word "parent," which results in allowing verification of child care costs to be provided by the child care provider.

Co-payment Stabilization

Current Regulation - The current regulations state that actual income as reported on the monthly reporting form, for the prior month, is used to establish the co-payment for the following month; that the TANF grant is excluded as countable income when prospectively determining the co-payment; and actual income is used to calculate the co-payment for each month of retroactive benefits.

New Regulation - Section 168.74. The Department is revising this section to allow the co-payment to be stabilized between redeterminations. The Department is revising subsection (1) to clarify that the TANF grant is excluded as countable income in the second month after the first pay is received, when determining the co-payment. The Department is adding language at subsection (2) to provide that in the third month in which pay is received, the co-payment is calculated using anticipated income and the TANF grant adjusted for earnings. The co-payment will not change during the eligibility redetermination period unless a client reports a change in his or her employment or the client requests a review of the co-payment amount. The Department is also revising this section to state that when a client requests retroactive child care benefits or the CAO authorizes retroactive child care benefits, the co-payment for each retroactive month will be determined using actual income in the month of application, rather than the actual income as reported on the monthly reporting form.

CHAPTER 3040

Income Limit

Current Regulation - Subsections 3040.32(f) and 3040.63 (c) provide that a family is ineligible for child care subsidy at initial determination of eligibility if the annual family income exceeds 185% of the FPIG.

New Regulation - The Department is revising §§ 3040.32(f) and 3040.63(c) to provide that a family is ineligible for child care subsidy at initial determination of eligibility if the annual family income exceeds 200% of the FPIG.

Determining Eligibility of a Teen Parent

Current Regulation - Paragraph 3040.28(1) now provides that when a minor parent applies for subsidized child care, the family composition used to determine eligibility includes the parents and siblings of the minor parent.

New Regulation – The Department is deleting § 3040.28(1)(ii). The family composition that will be used to determine eligibility for subsidized child care will be the same regardless of the age of the parent applying for child care subsidy. The word “minor” has been deleted throughout the chapter to coincide with the deletion of § 3040.28(1)(ii). These related deletions appear at § 3040.34(a)(1), (4) and (6); § 3040.38(a); § 3040.40(a) and (b); § 3040.52(d)(8) and Appendix A, Part II, D.

NOTE: There is no change in the requirement that a parent under age 18 must be pursuing a high school diploma or GED to qualify for a subsidy. The Department is adding § 3040.34 to permit parents age 18 to 22 to pursue a high school diploma and be eligible for subsidized child care.

Reporting Requirements

Current Regulation - The current regulation at § 3040.35(1) and (3) requires a parent to report a change in the amount of income from employment.

New Regulation - The Department is modifying the reporting requirements at § 3040.35(1) and (3) to provide that the parent need not report an increase in the amount of earned income if the parent did not change jobs and the child care needs remain the same.

Co-payments

Current Regulation - The current regulation at § 3040.63(a)(3) provides that a family's annual co-payment may not exceed 13.5% of the family's annual income. Paragraph 3040.63(a)(4) provides that the co-payment may not exceed 10% of the family's annual income if that income is 100% or less of the FPIG. Subsection 3040.63(d) provides annual income limits of 185% of the FPIG at initial determination of eligibility and 235% of the FPIG at redetermination of eligibility. The co-payment in Appendix B is calculated in \$5 increments for each \$1,650 of annual income.

New Regulation - The new regulation provides for a revision in the co-payment schedule. Paragraph 3040.63(a)(3) provides that if a family's annual income exceeds 100% of the FPIG and does not exceed 235% of the FPIG, the co-payment may not exceed 11% of the family's annual income. Paragraph 3040.63(a)(4) provides that if a family's annual income is 100% of the FPIG or less, the co-payment may not exceed 8% of the family's annual income. Subsection 3040.63(d) provides that if the annual income for the family does not exceed 200% of the FPIG at initial determination of eligibility or does not exceed 235% of the FPIG at redetermination of eligibility and the family is otherwise eligible, the eligibility agent shall determine the co-payment by using Appendix B. The weekly co-payment in Appendix B is calculated in \$5 increments for each \$2,000 of annual income. The Department is also revising the co-payment chart at Appendix B to reflect these changes.

Additional Changes

The Department made stylistic revisions at §§ 3040.3, 3040.34(a)(3) and 3040.71(b)(2) to maintain consistency and form throughout the regulation.

Fiscal Impact

Public Sector

Commonwealth – The Department will realize an increase in costs to the subsidized child care program of \$20 million annually to implement the revisions to the current co-payment schedule, to increase the income limits at initial application for a family to qualify for subsidized child care and to increase the number of teen parents eligible for subsidized child care. The Department can make this change given the current funds available for subsidized child care and the additional \$20 million in the Governors Proposed Budget for Fiscal Year 2000-01. These funds will enable the Department to expand services by an additional 7,000 slots for subsidized care, which will serve an additional 10,500 children on an annual basis; to continue services to children receiving subsidy; and to assure that no children are terminated from subsidy because of lack of available funds.

Political Subdivisions – Local governments will not have increased costs due to these final form regulations.

Private Sector

Child care providers who participate in the vendor payment system will receive more timely payments for TANF children,

Nearly 90,000 families will realize a decrease in their weekly co-payment amounts based on the new co-payment schedule. In addition, families will not realize increases in their co-payment as quickly when their annual income increases because the Department has expanded the income brackets from \$1,650 to \$2,000 annually for each \$5 increment in co-payment. Families who are not receiving TANF are relieved of their responsibility to report increases in earned income (unless there is a job change) prior to their next eligibility redetermination.

General Public

There will be a benefit to the general public. Approximately 10,500 children whose family income falls between 185% and 200% of the FPIG will be eligible for subsidized child care. Teen parents will be able to apply for subsidized child care without considering the circumstances of their parents. Teen parents who are eligible for subsidized child care will be able to continue their pursuit of a high school diploma.

Paperwork Requirements

The CAOs and the eligibility agents, who are Child Care Information Services (CCIS) agencies, will experience a temporary increase in paperwork because they will need to recalculate a co-payment for all families in the program upon publication of these regulations. In addition, more families will be eligible for the subsidized child care program, which will result in the processing of additional applications and eligibility determinations.

There will also be some decrease in paperwork for those families that have a fluctuation in their earnings between redetermination dates because they will no longer be required to report increases in earned income within 10 days of the change occurring. This will lead to some decrease in paperwork for the CCIS agencies who will not have to recalculate co-payments for those families between redetermination dates.

Effective Date

The regulations are effective upon publication on or after April 1, 2000.

Sunset Date

No sunset date applies to this final regulation.

Regulatory Review

Under § 5.1(c) of the Regulatory Review Act, Act of June 30, 1989 (P.L. 73, No. 19)(71 P.S. §§ 745.1-745.15), the agency submitted a copy of this regulation with proposed rulemaking omitted on 11/17/2000 to the Independent Regulatory Review Commission and to the Chairmen of the Senate Committee on Public Health and Welfare and the House Committee on Aging and Youth. On the same date, the regulation was submitted to the Office of the Attorney General for review and approval pursuant to the Commonwealth Attorneys Act.

In accordance with § 5.1(d) and (e) of the Act, this regulation was approved by the Committees on _____ and was approved by the Commission on _____.

:

Contact Person

The contact person for these regulations is Ms. Kathryn J. Holod, Director, Bureau of Child Day Care Services, Bertolino Building, 4th Floor, Harrisburg, PA 17102, (717) 787-8691.

Findings

The Department of Public Welfare finds:

- a. That public notice of intention to adopt the administrative regulation by this order is omitted because the regulation relates to Commonwealth grants and benefits and is unnecessary and contrary to public interest under §§ 204(1)(iv) and 204(3) of Act No. 240 of July 31, 1968, Pub. L. 769 (45 P.S. §§ 1204(1)(iv) and 1204(3) and the regulations thereunder (1 Pa. Code § 7.4(1)(iv) and § 7.4(3)).
- b. That the adoption of this regulation in the manner provided in this Order is necessary and appropriate for the administration and enforcement of the Public Welfare Code.

The Department of Public Welfare, acting under the Public Welfare Code, orders:

- a. The regulations of the Department of Public Welfare be amended as set forth in Annex A to this Order.
- b. The Secretary of the Department of Public Welfare shall submit this Order and Annex A to the Office of Attorney General and the Office of General Counsel for approval as to legality and form as required by law.
- c. The Secretary of the Department of Public Welfare shall certify this Order and Annex A and deposit them with the Legislative Reference Bureau as required by law.
- d. This Order shall take effect upon publication on or after April 1, 2000.

Feather O. Houstoun

Secretary of Public Welfare

ANNEX A

**TITLE 55. PUBLIC WELFARE
PART II PUBLIC ASSISTANCE MANUAL
SUBPART C. ELIGIBILITY REQUIREMENTS
CHAPTER 168. CHILD CARE**

§ 168.41. Verification requirements.

The applicant or recipient is required, as a condition of eligibility, to cooperate in providing necessary information and verification to establish eligibility.

(3) Child care costs shall be verified monthly [by the parent/caretaker] on a form specified by the Department or by a written statement signed by the provider or by a collateral contact by the CAO and the child care provider.

§ 168.74 Determining monthly child care co-payment.

The co-payment is determined for a month, based upon gross monthly income and budget group size, using the co-payment sliding fee scale in Chapter 3040, Appendix B. Gross monthly income is determined based on anticipated or actual amounts as determined in accordance with Chapter 183 (relating to income).

(1) The co-payment is waived for the calendar month in which the first pay is received or until the date of discontinuance due to a prospective determination of ineligibility, in accordance with § 168.71 (relating to monthly payment determination). [The co-payment is prospectively determined using anticipated income for the next months excluding the TANF grant as countable income. Thereafter, the co-payment is determined using actual income as reported on the monthly reporting form in accordance with Chapter 142 (relating to monthly reporting). The actual income reported on the monthly reporting form for the prior month is used to establish the co-payment for the following month.] **IN THE SECOND MONTH, THE CO-PAYMENT IS DETERMINED USING ANTICIPATED INCOME, EXCLUDING THE TANF GRANT AS COUNTABLE INCOME.**

(2) **IN THE THIRD MONTH, THE CO-PAYMENT IS DETERMINED USING ANTICIPATED INCOME AND THE TANF GRANT ADJUSTED FOR EARNINGS. THIS CO-PAYMENT IS USED PROSPECTIVELY UNTIL THE**

NEXT REDETERMINATION, OR THE CLIENT REQUESTS A REVIEW OF THE CO-PAYMENT AMOUNT, OR THERE IS A CHANGE IN EMPLOYMENT.

[(2)] (3) If retroactive benefits are requested, the co-payment for each retroactive month will be determined using the actual income [received in each month] **IN THE MONTH OF APPLICATION.**

**TITLE 55. PUBLIC WELFARE
PART V. CHILDREN, YOUTH AND FAMILIES MANUAL
SUBPART B. ELIGIBILITY FOR SERVICES
CHAPTER 3040. SUBSIDIZED CHILD DAY CARE ELIGIBILITY**

§ 3040.3. Definitions.

Education PROGRAM – An elementary school, middle school or high school program including a General Equivalency Diploma (GED) program.

§ 3040.28. Composition of a family.

For the purpose of determining eligibility for child care subsidy, the following rules apply:

(1) A family includes the following individuals who live together:

[(i)] The child for whom subsidized child care is requested, the child's parent/caretaker; the parent's/caretaker's spouse or live-in companion; biological, step or adoptive minor siblings of the child who are under 18 years of age, are not emancipated by marriage or by the court, or 18 years of age or older but under 22 years of age who is enrolled in a post-secondary program leading to a degree or diploma and who is wholly or partially dependent upon the income of the parent/caretaker and spouse or live-in companion of the parent/caretaker; and biological, step or adoptive minor children of the parent/caretaker or live-in companion, or both.

[(ii) The child for whom subsidized child care is requested, the child's parent who is a minor; the siblings or other parent of the child; the child's grandparent; the grandparent's spouse or live-in companion and other minor children of the grandparent or live-in companion.]

§ 3040.32. Financial eligibility.

(f) The family is ineligible for child care subsidy at initial determination of eligibility if the annual family income exceeds [185%] **200%** of FPIG.

§3040.34. Nonfinancial eligibility.

(a) A family must meet the following nonfinancial eligibility conditions at each determination and redetermination of eligibility.

(1) The child must need child care which coincides with the hours of the adult family members' employment or [minor parents'] **PARENT'S** education program.

(3) Each adult family member shall have had at least 4 weeks of employment within the most recent 6-week period and shall work the number of hours required as follows. The eligibility agent may average the hours of employment in the 4-week period.

(i) [Until July 31, 1999, the adult family members shall work at least 20 hours per week.

(ii) Beginning August 1, 1999, the] **THE** adult family members shall work at least 25 hours per week.

[(iii)] (ii) A parent/caretaker who transfers to the subsidized child care program from the TANF program shall be employed. The parent/caretaker has 6 months from the date his TANF benefits end to meet the [requirements] **REQUIREMENT** in [subparagraphs] **SUBPARAGRAPH** (i) [and (ii), whichever is applicable].

(iii) **A PARENT UNDER AGE 22 WHO IS ATTENDING HIGH SCHOOL IS EXEMPT FROM WORK REQUIREMENTS.**

(4) A [minor] parent **WHO IS UNDER 18 YEARS OF AGE AND** who has not graduated from high school [or] **AND** does not have a GED must be enrolled in an education program and attend on a full-time basis. Documentation **OF ENROLLMENT AND ATTENDANCE** must be on a form prescribed by the Department.

(6) [A minor parent who has graduated from high school or who has a GED must meet the same employment and earning requirements as an adult family member.

(7)] A parent/caretaker shall certify that each child receiving subsidized child care has received age-appropriate immunizations or that each child is exempt from the immunization requirement based on the exceptions listed at § 3040.11(f) (relating to provision of subsidy). If the child does not have age-appropriate immunizations and is not exempt from immunization, the parent/caretaker has 90 days to obtain immunizations for the child and certify that the child has age-appropriate immunizations.

§ 3040.35. Reporting changes.

The parent/caretaker shall report financial or nonfinancial changes in the family to the eligibility agent within ten-calendar days following the date of the change. The parent/caretaker shall report all changes including the following:

(1) Employment or self-employment [status], including changes in the [amount of pay or] days and hours worked.

(3) Family income, **EXCLUDING AN INCREASE OF EARNED INCOME FROM EMPLOYMENT OR SELF-EMPLOYMENT THAT IS NOT A RESULT OF A CHANGE IN EMPLOYMENT.**

§ 3040.38. Prospective employment or a prospective education program for new applicants.

(a) A family in which an adult member has prospective employment or [whose minor] THE parent has prospective enrollment in an education program as defined in § 3040.3 (relating to definitions) may be eligible for subsidized child care if the following requirements are met.

§ 3040.40. Child care subsidy available to attend training.

(a) A family may qualify for subsidized child care for the hours the adult family member, or the [minor] parent who has graduated from high school or has a GED, is participating in a training program, if:

(1) The adult family member or the [minor] parent meets the employment or education requirements listed in §§ 3040.32 through 3040.34 (relating to financial eligibility; self-employment; and nonfinancial eligibility;

(b) A child may receive up to 12 additional hours of subsidized child care to coincide with the instructional hours that the adult family member, or [minor] parent who has graduated from high school or who has a GED, participates in a recognized training program.

§ 3040.52. Eligibility agent responsibilities.

(d) Suspended subsidy. Child care subsidy may be suspended if a child is unable to attend the provider's child care program for more than ten consecutive enrollment days and will be absent for no more than 90 consecutive calendar days. On the 91st day of consecutive absence, the child is no longer eligible for subsidy. Subsidy may be suspended for any of the following situations:

(8) The child's parent is [a minor parent] on break from attendance at [elementary school, middle school or high school] **AN EDUCATION PROGRAM.**

§ 3040.63. Calculating a co-payment.

(a) The determination of a family co-payment considers the following:

(3) The family's annual co-payment may not exceed ~~[13.5%]~~ **11%** of the family's annual income.

(4) If the family's annual income is 100% of FPIG or less, the annual co-payment may not exceed ~~[10%]~~ **8%** of the family's annual income.

(c) If at initial application, the annual income for the family exceeds ~~[185%]~~ **200%** of the FPIG or if at redetermination the annual income for the family exceeds 235% of the FPIG, the family is not eligible for subsidized child care.

(d) If the annual income for the family does not exceed ~~[185%]~~ **200%** of the FPIG at initial determination of eligibility or does not exceed 235% of the FPIG at redetermination and the family is otherwise eligible, the eligibility agent shall determine the co-payment by using the co-payment chart in Appendix B. The co-payment as set forth in Appendix B is calculated in \$5 increments for each ~~[\$1,650]~~ **\$2,000** of annual income.

NOTIFICATION REQUIREMENTS

§ 3040.71. General requirements regarding notification.

(b) The eligibility agent shall notify the parent/caretaker in writing of an eligibility determination which renders the family eligible for subsidy. The notification must include the following:

(2) The parent/caretaker responsibility to report changes in eligibility requirements cited in ~~[§§ 3040.32 – 3040.34 (relating to financial eligibility; self-employment; and nonfinancial eligibility)]~~ **§3040.35 (RELATING TO REPORTING CHANGES)**.

APPENDIX A

**EARNED OR UNEARNED INCOME TO BE INCLUDED, DEDUCTED AND
EXCLUDED IN DETERMINING GROSS MONTHLY INCOME**

PART II. INCOME DEDUCTIONS.

The following are deducted when determining adjusted monthly income:

- [D. In those households where a parent who is a minor is requesting a subsidy, an amount of \$300 per month for each person for whom the grandparent is responsible. This deduction does not apply to the minor parent and the child in need of subsidized child care.]

**CO-PAYMENT CHART
FAMILY CO-PAYMENT SCALE**

(BASED ON THE 2000 FEDERAL POVERTY INCOME GUIDELINES)

Weekly Co-pay	Family Size: 1 Annual Income		Family Size: 2 Annual Income		Family Size: 3 Annual Income	
	Less than:		Less than:		Less than:	
\$5.00	Less than:	\$8,350	Less than:	\$9,250	Less than:	\$10,150
\$10.00	\$8,350.01	\$10,350	\$9,250.01	\$11,250	\$10,150.01	\$12,150
\$15.00	\$10,350.01	\$12,350	\$11,250.01	\$13,250	\$12,150.01	\$14,150
\$20.00	\$12,350.01	\$14,350	\$13,250.01	\$15,250	\$14,150.01	\$16,150
\$25.00	\$14,350.01	\$16,350	\$15,250.01	\$17,250	\$16,150.01	\$18,150
\$30.00	\$16,350.01	\$18,350	\$17,250.01	\$19,250	\$18,150.01	\$20,150
\$35.00	\$18,350.01	\$19,623	\$19,250.01	\$21,250	\$20,150.01	\$22,150
\$40.00			\$21,250.01	\$23,250	\$22,150.01	\$24,150
\$45.00			\$23,250.01	\$25,250	\$24,150.01	\$26,150
\$50.00			\$25,250.01	\$26,438	\$26,150.01	\$28,150
\$55.00					\$28,150.01	\$30,150
\$60.00					\$30,150.01	\$32,150
\$65.00					\$32,150.01	\$33,253
	200% FPIG	\$16,700	200% FPIG	\$22,500	200% FPIG	\$28,300

Weekly Co-pay	Family Size: 4 Annual Income		Family Size: 5 Annual Income		Family Size: 6 Annual Income	
	Less than:		Less than:		Less than:	
\$5.00	Less than:	\$11,050	Less than:	\$11,950	Less than:	\$12,850
\$10.00	\$11,050.01	\$13,050	\$11,950.01	\$13,950	\$12,850.01	\$14,850
\$15.00	\$13,050.01	\$15,050	\$13,950.01	\$15,950	\$14,850.01	\$16,850
\$20.00	\$15,050.01	\$17,050	\$15,950.01	\$17,950	\$16,850.01	\$18,850
\$25.00	\$17,050.01	\$19,050	\$17,950.01	\$19,950	\$18,850.01	\$20,850
\$30.00	\$19,050.01	\$21,050	\$19,950.01	\$21,950	\$20,850.01	\$22,850
\$35.00	\$21,050.01	\$23,050	\$21,950.01	\$23,950	\$22,850.01	\$24,850
\$40.00	\$23,050.01	\$25,050	\$23,950.01	\$25,950	\$24,850.01	\$26,850
\$45.00	\$25,050.01	\$27,050	\$25,950.01	\$27,950	\$26,850.01	\$28,850
\$50.00	\$27,050.01	\$29,050	\$27,950.01	\$29,950	\$28,850.01	\$30,850
\$55.00	\$29,050.01	\$31,050	\$29,950.01	\$31,950	\$30,850.01	\$32,850
\$60.00	\$31,050.01	\$33,050	\$31,950.01	\$33,950	\$32,850.01	\$34,850
\$65.00	\$33,050.01	\$35,050	\$33,950.01	\$35,950	\$34,850.01	\$36,850
\$70.00	\$35,050.01	\$37,050	\$35,950.01	\$37,950	\$36,850.01	\$38,850
\$75.00	\$37,050.01	\$39,050	\$37,950.01	\$39,950	\$38,850.01	\$40,850
\$80.00	\$39,050.01	\$40,068	\$39,950.01	\$41,950	\$40,850.01	\$42,850
\$85.00			\$41,950.01	\$43,950	\$42,850.01	\$44,850
\$90.00			\$43,950.01	\$45,950	\$44,850.01	\$46,850
\$95.00			\$45,950.01	\$46,883	\$46,850.01	\$48,850
\$100.00					\$48,850.01	\$50,850
\$105.00					\$50,850.01	\$52,850
\$110.00					\$52,850.01	\$53,698
	200% FPIG	\$34,100	200% FPIG	\$39,900	200% FPIG	\$45,700

CO-PAYMENT CHART
FAMILY CO-PAYMENT SCALE
(BASED ON THE 2000 FEDERAL POVERTY INCOME GUIDELINES)

Weekly Co-pay	Family Size: 7 Annual Income		Family Size: 8 Annual Income		Family Size: 9 Annual Income	
	Less than:		Less than:		Less than:	
\$5.00	\$13,750	\$13,750	\$16,650	\$16,650	\$17,550	\$17,550
\$10.00	\$13,750.01	\$15,750	\$16,650.01	\$18,650	\$17,550.01	\$19,550
\$15.00	\$15,750.01	\$17,750	\$18,650.01	\$20,650	\$19,550.01	\$21,550
\$20.00	\$17,750.01	\$19,750	\$20,650.01	\$22,650	\$21,550.01	\$23,550
\$25.00	\$19,750.01	\$21,750	\$22,650.01	\$24,650	\$23,550.01	\$25,550
\$30.00	\$21,750.01	\$23,750	\$24,650.01	\$26,650	\$25,550.01	\$27,550
\$35.00	\$23,750.01	\$25,750	\$26,650.01	\$28,650	\$27,550.01	\$29,550
\$40.00	\$25,750.01	\$27,750	\$28,650.01	\$30,650	\$29,550.01	\$31,550
\$45.00	\$27,750.01	\$29,750	\$30,650.01	\$32,650	\$31,550.01	\$33,550
\$50.00	\$29,750.01	\$31,750	\$32,650.01	\$34,650	\$33,550.01	\$35,550
\$55.00	\$31,750.01	\$33,750	\$34,650.01	\$36,650	\$35,550.01	\$37,550
\$60.00	\$33,750.01	\$35,750	\$36,650.01	\$38,650	\$37,550.01	\$39,550
\$65.00	\$35,750.01	\$37,750	\$38,650.01	\$40,650	\$39,550.01	\$41,550
\$70.00	\$37,750.01	\$39,750	\$40,650.01	\$42,650	\$41,550.01	\$43,550
\$75.00	\$39,750.01	\$41,750	\$42,650.01	\$44,650	\$43,550.01	\$45,550
\$80.00	\$41,750.01	\$43,750	\$44,650.01	\$46,650	\$45,550.01	\$47,550
\$85.00	\$43,750.01	\$45,750	\$46,650.01	\$48,650	\$47,550.01	\$49,550
\$90.00	\$45,750.01	\$47,750	\$48,650.01	\$50,650	\$49,550.01	\$51,550
\$95.00	\$47,750.01	\$49,750	\$50,650.01	\$52,650	\$51,550.01	\$53,550
\$100.00	\$49,750.01	\$51,750	\$52,650.01	\$54,650	\$53,550.01	\$55,550
\$105.00	\$51,750.01	\$53,750	\$54,650.01	\$56,650	\$55,550.01	\$57,550
\$110.00	\$53,750.01	\$55,750	\$56,650.01	\$58,650	\$57,550.01	\$59,550
\$115.00	\$55,750.01	\$57,750	\$58,650.01	\$60,650	\$59,550.01	\$61,550
\$120.00	\$57,750.01	\$59,750	\$60,650.01	\$62,650	\$61,550.01	\$63,550
\$125.00	\$59,750.01	\$60,513	\$62,650.01	\$64,650	\$63,550.01	\$65,550
\$130.00			\$64,650.01	\$66,650	\$65,550.01	\$67,550
\$135.00			\$66,650.01	\$67,328	\$67,550.01	\$69,550
\$140.00					\$69,550.01	\$71,550
\$145.00					\$71,550.01	\$73,550
					\$73,550.01	\$74,143
	200% FPIG	\$51,500	200% FPIG	\$57,300	200% FPIG	\$63,100

CO-PAYMENT CHART
FAMILY CO-PAYMENT SCALE
 (BASED ON THE 2000 FEDERAL POVERTY INCOME GUIDELINES)

Weekly Co-pay	Family Size: 10 Annual Income		Family Size: 11 Annual Income		Family Size: 12 Annual Income	
	Less than:		Less than:		Less than:	
\$5.00	\$18,450.01	\$18,450	\$19,350.01	\$19,350	\$20,250.01	\$20,250
\$10.00	\$20,450.01	\$20,450	\$21,350.01	\$21,350	\$22,250.01	\$22,250
\$15.00	\$22,450.01	\$22,450	\$23,350.01	\$23,350	\$24,250.01	\$24,250
\$20.00	\$24,450.01	\$24,450	\$25,350.01	\$25,350	\$26,250.01	\$26,250
\$25.00	\$26,450.01	\$26,450	\$27,350.01	\$27,350	\$28,250.01	\$28,250
\$30.00	\$28,450.01	\$28,450	\$29,350.01	\$29,350	\$30,250.01	\$30,250
\$35.00	\$30,450.01	\$30,450	\$31,350.01	\$31,350	\$32,250.01	\$32,250
\$40.00	\$32,450.01	\$32,450	\$33,350.01	\$33,350	\$34,250.01	\$34,250
\$45.00	\$34,450.01	\$34,450	\$35,350.01	\$35,350	\$36,250.01	\$36,250
\$50.00	\$36,450.01	\$36,450	\$37,350.01	\$37,350	\$38,250.01	\$38,250
\$55.00	\$38,450.01	\$38,450	\$39,350.01	\$39,350	\$40,250.01	\$40,250
\$60.00	\$40,450.01	\$40,450	\$41,350.01	\$41,350	\$42,250.01	\$42,250
\$65.00	\$42,450.01	\$42,450	\$43,350.01	\$43,350	\$44,250.01	\$44,250
\$70.00	\$44,450.01	\$44,450	\$45,350.01	\$45,350	\$46,250.01	\$46,250
\$75.00	\$46,450.01	\$46,450	\$47,350.01	\$47,350	\$48,250.01	\$48,250
\$80.00	\$48,450.01	\$48,450	\$49,350.01	\$49,350	\$50,250.01	\$50,250
\$85.00	\$50,450.01	\$50,450	\$51,350.01	\$51,350	\$52,250.01	\$52,250
\$90.00	\$52,450.01	\$52,450	\$53,350.01	\$53,350	\$54,250.01	\$54,250
\$95.00	\$54,450.01	\$54,450	\$55,350.01	\$55,350	\$56,250.01	\$56,250
\$100.00	\$56,450.01	\$56,450	\$57,350.01	\$57,350	\$58,250.01	\$58,250
\$105.00	\$58,450.01	\$58,450	\$59,350.01	\$59,350	\$60,250.01	\$60,250
\$110.00	\$60,450.01	\$60,450	\$61,350.01	\$61,350	\$62,250.01	\$62,250
\$115.00	\$62,450.01	\$62,450	\$63,350.01	\$63,350	\$64,250.01	\$64,250
\$120.00	\$64,450.01	\$64,450	\$65,350.01	\$65,350	\$66,250.01	\$66,250
\$125.00	\$66,450.01	\$66,450	\$67,350.01	\$67,350	\$68,250.01	\$68,250
\$130.00	\$68,450.01	\$68,450	\$69,350.01	\$69,350	\$70,250.01	\$70,250
\$135.00	\$70,450.01	\$70,450	\$71,350.01	\$71,350	\$72,250.01	\$72,250
\$140.00	\$72,450.01	\$72,450	\$73,350.01	\$73,350	\$74,250.01	\$74,250
\$145.00	\$74,450.01	\$74,450	\$75,350.01	\$75,350	\$76,250.01	\$76,250
\$150.00	\$76,450.01	\$76,450	\$77,350.01	\$77,350	\$78,250.01	\$78,250
\$155.00	\$78,450.01	\$78,450	\$79,350.01	\$79,350	\$80,250.01	\$80,250
\$160.00	\$80,450.01	\$80,450	\$81,350.01	\$81,350	\$82,250.01	\$82,250
\$165.00	\$80,958	\$80,958	\$83,350.01	\$83,350	\$84,250.01	\$84,250
\$170.00			\$85,350.01	\$85,350	\$86,250.01	\$86,250
\$175.00			\$87,350.01	\$87,350	\$88,250.01	\$88,250
\$180.00			\$87,773	\$87,773	\$90,250.01	\$90,250
\$185.00					\$92,250.01	\$92,250
\$190.00					\$94,250.01	\$94,250
					\$94,588	\$94,588
	200% FPIG	\$68,900	200% FPIG	\$74,700	200% FPIG	\$80,500

PLEASE RETURN TO:
 INDEPENDENT REGULATORY REVIEW COMMISSION
 14TH FLOOR, HARRISTOWN II

TRANSMITTAL SHEET FOR REGULATORY REVIEW ACT

RECEIVED
 2000 FEB 17 PM 4:00
 INDEPENDENT REGULATORY
 REVIEW COMMISSION

I.D. NUMBER: 14-466
 SUBJECT: Subsidized Child Day Care Eligibility; Child Care
 AGENCY: DEPARTMENT OF PUBLIC WELFARE

TYPE OF REGULATION

- Proposed Regulation
- Final Regulation
- Final Regulation with Notice of Proposed Rulemaking Omitted
- 120-day Emergency Certification of the Attorney General
- 120-day Emergency Certification of the Governor
- Delivery of Tolled Regulation
 - a. With Revisions
 - b. Without Revisions

FILING OF REGULATION

DATE	SIGNATURE	DESIGNATION
2/17/00	<u>Debbie Alon</u>	HOUSE COMMITTEE ON AGING & YOUTH
2/17/00	<u>Quinn Merz</u>	
2-17-00	<u>Debbie Estor</u>	SENATE COMMITTEE ON PUBLIC HEALTH & WELFARE
2/17	<u>Tim M...</u>	
2/17/00	<u>Kim e Garner</u>	INDEPENDENT REGULATORY REVIEW COMMISSION
2/17	<u>J...</u>	ATTORNEY GENERAL
		LEGISLATIVE REFERENCE BUREAU