

<b>Regulatory Analysis Form</b>		<b>This space for use by IRRC</b> RECEIVED 2004 FEB -4 PM 2:44 REVIEW COMMISSION IRRC Number: 2387
<b>(1) Agency</b> Department of Public Welfare		
<b>(2) I.D. Number (Governor's Office Use)</b>		
<b>(3) Short Title</b> Head Start Expansion		
<b>(4) PA Code Cite</b>  55 Pa.Code Chapter 3040	<b>(5) Agency Contacts &amp; Telephone Numbers</b>  Primary Contact: Kathryn Holod  Secondary Contact: Susan M. [unclear]	
<b>(6) Type of Rulemaking (check one)</b>  <input type="checkbox"/> Proposed Rulemaking <input type="checkbox"/> Final Order Adopting Regulation <input checked="" type="checkbox"/> Final Order, Proposed Rulemaking Omitted	<b>(7) Is a 120-Day Emergency Certification Attached?</b>  <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes: By the Attorney General <input type="checkbox"/> Yes: By the Governor	
<b>(8) Briefly explain the regulation in clear and nontechnical language.</b>  <p>This regulation assures eligibility for child care subsidy for a child enrolled in Head Start whose parent/caretaker needs extended hours and days of child care services in order to work.</p> <p>The parent/caretaker whose child is enrolled in Head Start needs only to meet certain requirements of Chapter 3040 in order for that child to receive subsidized child care services. The provider must be a certified or registered child care facility that is participating in the expanded Head Start program.</p>		
<b>(9) State the statutory authority for the regulation and any relevant state or federal court decisions.</b>  <p>The Public Welfare Code, Act of June 13, 1967, P.L. 31 No. 21, (62 P.S. §§ 201-211, 401-493 and 701-703) and the Act of December 23, 2003 (P.L. , No. 48) (24 P.S. § 15-1505 - D) (Act).</p>		

## Regulatory Analysis Form

**(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.**

Yes, the amendment is required by Act 2003-48. The deadline for promulgation of the final-omitted regulation is March 22, 2004.

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

The regulation is needed to allow children enrolled in a Head Start program to continue to receive care for extended hours after the traditional Head Start day has ended or days the Head Start program is not available. Prior to this amendment, the family of the child who needed extended hours and days of child care had to meet all of the requirements of Chapter 3040. If the family did not meet the requirements of Chapter 3040, the child was not able to continue to receive subsidized child care services and the family may have had to drop out of a Head Start program because the parent/caretaker needed to find alternate extended day care in order for the parent/caretaker to work.

Expanded Head Start services are beneficial to children because these programs increase the social, cognitive, emotional and physical development of children that will help them to be better prepared for success in school. Expanded Head Start services will also be beneficial because they offer increased social services, health care and family support services that strengthen the family. Expanded Head Start services will help families remain self-sufficient.

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

Without this regulation, children whose parents/caretakers work hours beyond the Head Start program day or whose work days include days that Head Start is not available, might not be able to find additional care that allows them to continue to work.

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

This regulation will benefit an estimated 600 children of families who now participate in Head Start and need expanded Head Start services in order for the parent/caretaker to work. Because this amendment will improve access to child care subsidy, it will be an incentive for Head Start programs to expand the hours of daily services for the benefit of working families.

## Regulatory Analysis Form

**(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 one will be adversely affected by this regulation. This regulation, however, will increase the demand for subsidized child care services. This increase in demand may increase the subsidized child care waitinglist.

**(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 600 children who now participate in Head Start and who need care in order for the parents/caretakers to work will be required to comply. Child care providers who participate in the subsidized child care program and eligibility agents with whom the Department contracts will also have to comply with the regulation.

**(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.**

In the development of this regulation, the Department consulted with child care advocates and Head Start professionals.

**(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.**

All families who are eligible for the Head Start expansion program will pay the minimum weekly co-payment for a family size of one, which is currently \$5.00 per week.

**(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.**

No additional costs or savings to local governments are associated with this amendment.

*John K. Kelly 1-23-04*

### Regulatory Analysis Form

**(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.**

In Fiscal Year 2003-04, approximately six hundred children will be eligible for child care subsidy under this regulation. The cost for Fiscal Year 2003-04 is \$405,000 because this regulation will be promulgated on March 22, 2004. The annual cost for these children will be \$1,620,000 in Fiscal Year 2004-05.

The funding to serve these children is included in the Fiscal Year 2003-04 child day care appropriation. Children eligible under this regulation will receive child care services based on available resources

**(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.**

	Current FY Year 2003-04	FY +1 Year 2004-05	FY +2 Year 2005-06	FY +3 Year 2006-07	FY +4 Year 2007-08	FY +5 Year 2008-09
<b>SAVINGS:</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Regulated Community</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Local Government</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>State Government</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Savings</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>COSTS:</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Regulated Community</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Local Government</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>State Government</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Costs</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>REVENUE LOSSES:</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Regulated Community</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Local Government</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>State Government</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Revenue Losses</b>	N/A	N/A	N/A	N/A	N/A	N/A

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### Regulatory Analysis Form

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

- Although there are no costs to the State appropriation, the Department of Public Welfare will incur the following costs in the Federal Child Care Development Fund:

\$405,000      \$1,620,000      \$1,701,000      \$1,786,050      \$1,875,353      \$1,969,120

These costs were derived by taking the estimated number of children enrolled in Head Start who may be eligible for child care subsidy under this amendment (600) and multiplying that number by the annual average part-day cost per child attending part year to coincide with Head Start program year. The costs for Fiscal Year 2003-04 are for only three months, as this regulation will not be promulgated until March 22, 2004. The first full year costs are in Fiscal Year 2004-05. For the following fiscal years, the number of children eligible under this amendment will grow by an estimated 5 percent each year and the costs will increase accordingly.

The funding to serve these children in Fiscal Year 2003-04 is included in the current child day care appropriation. Children eligible under this regulation will receive child care services based on available funding. If funding is not available, children will go on a subsidized child care waiting list and will receive services as funds become available.

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

Program	FY -3	FY -2	FY -1	Current FY
Child Care (State)	59,683	57,983	59,683	59,683
Child Care Development Fund	120,708	136,606	154,269	171,123
Cash Grants (State)	292,301	271,774	304,674	313,493
Child Care Development Fund	117,796	110,557	115,688	137,139

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

The benefits of this regulation outweigh the costs because the Head Start expansion program will result in children being better prepared for school and families being more self-sufficient.

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

No non-regulatory alternatives were considered.

## Regulatory Analysis Form

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

No alternative regulatory schemes were considered.

**(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 are more stringent than federal standards.

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

Most states do not have a regulation that assures eligibility for child care subsidy for children enrolled in Head Start programs whose parent/caretakers need extended hours of Head Start service in order to work. Currently, the only other states that have allocated funding for comparable Head Start extended day service are Colorado, California, Ohio, and Connecticut. Thus, this regulation does not put us at a competitive disadvantage with other states; in fact, it makes Pennsylvania one of the leaders in developing a partnership with Head Start and the child care community.

**(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, it will not affect the existing or proposed regulations of the promulgating agency or other state agencies.

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

Yes. Prior to publication in the Pennsylvania Bulletin, the Department will have an informational meeting with Head Start programs, child care providers and other interested parties.

## Regulatory Analysis Form

**(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.**

Parents/caretakers will need to complete an application for the Head Start expansion program, verify that their child is enrolled in a Head Start program, verify hours of work extending beyond the Head Start program day, and provide verification from the Head Start program that the Head Start expansion program meets Federal Head Start standards.

**(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.**

No special provisions were developed for these groups.

**(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?**

This regulation will be effective upon publication in the Pennsylvania Bulletin.

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

The Department is planning to amend the current subsidized child day care eligibility regulations at 55 Pa. Code Chapter 3040 and will review this regulation at that time.

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**FACE SHEET  
FOR FILING DOCUMENTS  
WITH THE LEGISLATIVE REFERENCE BUREAU  
(Pursuant to Commonwealth Documents Law)**

#2387

DO NOT WRITE IN THIS SPACE

<p>Copy below is hereby approved as to form and legality. Attorney General</p> <p>By: _____ (Deputy Attorney General)</p> <p>_____ Date of Approval</p> <p><input type="checkbox"/> Check if applicable Copy not approved. Objections attached.</p>	<p>Copy below is hereby certified to be a true and correct copy of a document issued, prescribed or promulgated by:</p> <p><b>DEPARTMENT OF PUBLIC WELFARE</b> (Agency)</p> <p>LEGAL COUNSEL: <u>Jean E. Graybill</u></p> <p>DOCUMENT/FISCAL NOTE NO. <u>14-482</u></p> <p>DATE OF ADOPTION: _____</p> <p>BY: <u>Estelle B. Lukman</u></p> <p>TITLE: <b>SECRETARY OF PUBLIC WELFARE</b> (Executive Officer, Chairman or Secretary)</p>	<p>Copy below is hereby approved as and legality. Executive or Independent Agencies.</p> <p>BY: <u>Tanya C. [Signature]</u></p> <p><u>2/2/04</u> Date of Approval</p> <p><u>Asst.</u> (Deputy General Counsel) (Chief Counsel, Independent Agency) (Strike inapplicable title)</p> <p><input type="checkbox"/> Check if applicable. No Attorney General approval or objection within 10 days after submission.</p>
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**NOTICE OF FINAL RULEMAKING  
WITHOUT PUBLICATION AS PROPOSED**

**DEPARTMENT OF PUBLIC WELFARE**

**OFFICE OF INCOME MAINTENANCE**

[55 Pa.Code Chapter 3040]

Subsidized Child Day Care Eligibility

Head Start Expansion



### Statutory Authority

The Department of Public Welfare (Department), by this Order, adopts the amended regulation set forth in Annex A under the authority of the Public Welfare Code, Act of June 13, 1967, P.L. 31 No. 21, 62 P.S. §§ 201 – 211, 401 – 493 and 701-703 and the act of December 23, 2003 (P.L. , No. 48) (24 P.S. § 15 – 1505-D) (Act).

Notice of proposed rulemaking is omitted in accordance with § 204(1) and (3) (45 P.S. § 1204(1) and (3)) and 1 Pa. Code § 7.4(1) and (3). This rulemaking relates to Commonwealth grants and benefits. In addition, the Department has determined that notice of proposed rulemaking is impracticable and unnecessary under the Act which specifies that the Department must promulgate final-omitted rulemaking within 90 days of the Act's effective date.

### Purpose of Regulation

The purpose of the rulemaking is to assure eligibility for child care subsidy for children enrolled in Head Start whose parents/caretakers need extended hours and days of Head Start service in order to work.

### Need for Regulation

The regulation is needed in order to implement the requirements of Section 20 of the Act which requires the Department to promulgate a final-omitted regulation within 90 days of the effective date of the Act. The Act took effect December 23, 2003. Thus, a final-omitted regulation must be promulgated by March 22, 2004. This rulemaking amends regulations for subsidized child day care at 55 Pa. Code Chapter 3040 (relating to subsidized child day care eligibility) by adding provisions for Head Start expansion.

### Requirements

The regulatory amendment at § 3040.29 (relating to Head Start expansion), sets forth eligibility requirements for subsidized child day care for a family enrolled in the Head Start expansion program. Child care service must be provided in a certified or registered child care facility which complies with § 3040.20(a)(3) (relating to benefits and limitations) that has a collaborative agreement with a Head Start program or by a Head Start program. The section also requires that:

- the parent/caretaker must apply for the Head Start expansion program at the local Child Care Information Services (CCIS) agency;

- the family must meet the regulatory description of family composition;
- at the time of application, each parent/caretaker must verify a minimum of 25 hours of work per week;
- each parent/caretaker must verify that the service is needed in order to work;
- the parent/caretaker must provide verification from the Head Start program that the Head Start expansion program meets Federal Head Start standards;
- a family is subject to waiting list requirements;
- a family fee will be assessed at the minimum co-payment for a family of one;
- the family fee must be paid timely; and
- subsidy for the child may be suspended during summer school breaks.

A child enrolled in a Head Start expansion program may be placed in suspended subsidy for a period not to exceed 90 days when the child's parent/caretaker does not need child care during a summer school break and the parent/caretaker anticipates that the child will return to the Head Start program in the fall. This provision assures access and continuity of care for the child and family. When a child needs care during the summer school break and the child's Head Start expansion program is closed, the parent/caretaker may apply for

subsidized child care pursuant to other sections of Chapter 3040 (relating to subsidized child day care eligibility).

Section 20 of the Act at § 1505 – D (relating to Head Start expansion) provides that the Department is required to promulgate regulations necessary to assure eligibility for child care subsidy for children enrolled in Head Start whose “parents” need extended “hours” of Head Start services in order to work. In order to make the benefits of Head Start expansion available to all children enrolled in Head Start whose families need extended hours and days of service, the Department is adding “caretakers” as persons eligible to apply for the expanded Head Start program. This will enable children living with caretakers to enjoy the same benefits available to children living with their parents. The Department finds that this interpretation harmonizes with the Federal Head Start eligibility regulations regarding families (45 CFR 1305.2(e) (relating to definitions)).

Finally, since the definition of “extended day services” provides for extended day services for both hours and days beyond the hours funded through the Federal Head Start program, throughout the Annex, the Department has provided for both hours and days of extended services. (See § 20 of the Act, § 1501 – D.)

### Affected Organizations and Individuals

The Department will incur costs as a result of this regulation. Families whose working hours and days extend beyond the hours of the Head Start program day will benefit from this regulation.

### Accomplishments and Benefits

Working families with a child enrolled in Head Start will benefit from this regulation. The regulation allows a family, at a low fee, to be eligible for subsidized child care for hours and days beyond the hours and days funded through the Federal Head Start program. Families will receive the necessary supports to continue employment. Eligible children will benefit from the stability and continuity of the child care experience, conducted in a developmentally appropriate child care environment.

### Fiscal Impact

#### Public Sector

Commonwealth – The Commonwealth will incur additional costs.

Political Subdivisions – There is no fiscal impact on political subdivisions.

Private Sector – There is no fiscal impact on the private sector.

General Public – There is no fiscal impact on the general public.

Paperwork Requirements

Parents/caretakers will need to complete an application for the Head Start expansion program, verify that their child is enrolled in a Head Start program, verify hours of work extending beyond the Head Start program day, and provide verification from the Head Start program that the Head Start expansion program meets Federal Head Start standards.

Sunset Date

No sunset date is established for this regulation.

Public Comment

Although this regulation is being adopted without publication as proposed rulemaking, interested persons are invited to submit written comments within 30 days from the date of this publication for consideration by the Department as to whether the regulation should be revised. Comments should be sent to the Department of Public Welfare, Ms. Kathryn Holod, Director of the Bureau of Child Day Care Services, P. O. Box 2675, Harrisburg, Pennsylvania, 17105, telephone

number (717) 787-8691. Persons with a disability may use the AT&T relay service, 1-800-654-5984 (TDD users) or 1-800-654-5988 (voice users).

### Regulatory Review Act

Under § 5.1(c) of the Regulatory Review Act (71 P.S. § 745a(c)), on FEB 04 2004 the Department submitted a copy of this regulation, with proposed rulemaking omitted, to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the House Children and Youth Committee and the Senate Committee on Public Health and Welfare. 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 (j.1 and j.2) of the Act, this regulation was approved by the Committees on . The IRRC met on and approved the regulation.

In addition to submitting the final-omit rulemaking, the Department has provided the IRRC and the Committees with a copy of a Regulatory Analysis Form prepared by the Department. A copy of this form is available to the public upon request.

The Department of Public Welfare finds:

- a. That public notice of intention to adopt the administrative regulation adopted by this Order is not required because it relates to Commonwealth grants and benefits under §204(1) of the Act No. 240

of July 31, 1968, P. L. 767 (45 P. S. § 1204(1) and the regulations thereunder, (1 Pa. Code §7.4(1). In addition, public notice of intention to adopt the administrative regulation adopted by this Order is impracticable and unnecessary under § 204(3) of the Act (45 P.S. § 1204(3)) and regulations thereunder, (1 Pa. Code § 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 and Act 2003-48.

The Department of Public Welfare acting under the Public Welfare Code and Act 2003-48 orders:

- a. The regulations of the Department of Public Welfare are amended to read 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 hereto to the Attorney General and General Counsel for approval as to legality and form as required by law.
- c. The Secretary of the Department of Public Welfare shall duly certify this Order and Annex A hereto and deposit same in the Legislative Reference Bureau as required by law.
- d. This Order shall take effect upon publication in the Pennsylvania Bulletin.



Annex A

Title 55. PUBLIC WELFARE

PART V. CHILDREN, YOUTH AND FAMILIES MANUAL

Subpart B. ELIGIBILITY FOR SERVICE

CHAPTER 3040. SUBSIDIZED CHILD DAY CARE ELIGIBILITY

\* \* \* \* \*

GENERAL REQUIREMENTS

\* \* \* \* \*

§ 3040.29. Head Start expansion.

- (a) A child enrolled in Head Start whose parent/caretaker needs extended hours or days of child care in order to work is eligible for child care subsidy. A parent/caretaker shall apply for the Head Start expansion program.
  
- (b) The parent/caretaker shall obtain from the Head Start program and provide to the local CCIS agency, verification that the Head Start expansion program meets the Federal Head Start standards.

(c) When a child in the family as described at § 3040.28(1) and (2) (relating to composition of a family) is enrolled in Head Start, the provisions of this section apply to that child.

(d) Child care service must be provided in a certified or registered child care facility which complies with § 3040.20(a)(3) (relating to benefits and limitations) that has a collaborative agreement with a Head Start program or by a Head Start program.

(e) A family shall meet only the following conditions:

(1) To be eligible under this section, at the time of application each parent/caretaker shall provide verification of a minimum of 25 hours of work per week as required by § 3040.34(a)(3)(i) (relating to nonfinancial eligibility). Each parent/caretaker shall also verify that extended hours and days of service are needed in order to work.

(2) A family eligible for child care subsidy under this section shall be subject to all waiting list conditions described in § 3040.54 (relating to waiting list).

- (3) A family eligible for child care subsidy under this section shall pay the minimum co-payment for a family of one as specified in Appendix B of this chapter.
- (4) A family receiving child care subsidy under this section shall make timely co-payment as described in § 3040.61 (relating to general requirements regarding co-payment).
- (f) Subsidy for a child receiving child care subsidy under this section may be suspended during summer school breaks for a period not to exceed 90 consecutive days.

**Please Return To:**

**TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO  
REGULATORY REVIEW ACT**

IRRC - Last Delivery - they  
14<sup>th</sup> Floor  
HARRISTOWN II  
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I.D. NUMBER: 014-482  
SUBJECT: Subsidized Child Day Care Eligibility - Head Start Expansion  
AGENCY: DEPARTMENT OF PUBLIC WELFARE

**TYPE OF REGULATION**

Proposed Regulation

Final Regulation

X 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

2004 FEB -4 PM 2:44  
REVIEW COMMISSION

**FILING OF REGULATION**

DATE

SIGNATURE

DESIGNATION

2/4

① HOUSE COMMITTEE ON HEALTH & WELFARE  
*Annie McElwee C+Y Comm.*

2/4

② SENATE COMMITTEE ON PUBLIC HEALTH & WELFARE

2/4

④ INDEPENDENT REGULATORY REVIEW COMMISSION  
(Deliver Last)

2/4

③ ATTORNEY GENERAL (for Final Omitted only)

2-4-04

LEGISLATIVE REFERENCE BUREAU (for Proposed only)

February 2, 2004