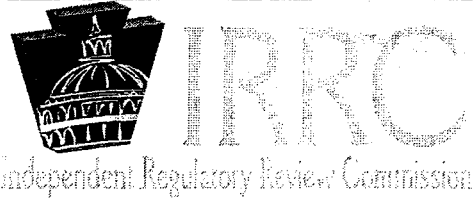


Regulatory Analysis Form

(Completed by Promulgating Agency)



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INDEPENDENT REGULATORY REVIEW COMMISSION

SECTION I: PROFILE

(1) Agency:

Department of Public Welfare
Office of Income Maintenance
Bureau of Employment and Training Programs

(2) Agency Number:

Identification Number: 14-518

IRRC Number:

2833

(3) Short Title:

Revisions to the Special Allowance for Supportive Services Requirements

(4) PA Code Cite:

55 Pa.Code Chapter 165

Road to Economic Self-sufficiency through Employment and Training (RESET) Program

(5) Agency Contacts (List Telephone Number, Address, Fax Number and Email Address):

Primary Contact: Dr. Bryon C. Noon, Director, Bureau of Employment and Training Programs, 717-787-1302, Health & Welfare Building, 2nd Floor West, 7th & Forster Streets, Harrisburg PA 17105, Fax number 717-787-4106, bnoon@state.pa.us

Secondary Contact: Tamila Lay, Division Director, Division of Policy, Research, Development and CAO Programs, 717-787-1302, Health & Welfare Building, 2nd Floor West, 7th & Forster Streets, Harrisburg PA 17105, Fax number 717-787-4106, tlay@state.pa.us

(6) Primary Contact for Public Comments (List Telephone Number, Address, Fax Number and Email Address) – Complete if different from #5:

Edward J. Zogby, Director, Bureau of Policy, (717) 787-4081, 4th floor, Health and Welfare Building, Harrisburg, Pennsylvania 17105, ezogby@state.pa.us, (717) 787-6765

(All Comments will appear on IRRC'S website)

(7) Type of Rulemaking (check applicable box):

- Proposed Regulation
- Final Regulation
- Final Omitted Regulation
- Emergency Certification

Regulation;

- Certification by the Governor
- Certification by the Attorney

General

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(8) Briefly explain the regulation in clear and nontechnical language. (100 words or less)

The purpose of this proposed rulemaking is to enhance program integrity and effectiveness so that funds for special allowances are available to the greatest number of participants with a verifiable and documented need for supportive services. This rulemaking amends regulations pertaining to special allowances for supportive services that the Department provides to individuals who apply for and receive cash assistance or SNAP only benefits who agree to participate or are participating in approved work or work-related activities.

(9) Include a schedule for review of the regulation including:

A. The date by which the agency must receive public comments: 30 days after publication

B. The date or dates on which public meetings or hearings will be held: The Department met and discussed specific issues relating to this proposed rulemaking with affected individuals and organizations. Comments were received 12/1/2009.

C. The expected date of promulgation of the proposed regulation as a final-form regulation: 2/18/2011

D. The expected effective date of the final-form regulation: Upon publication in the Pennsylvania Bulletin

E. The date by which compliance with the final-form regulation will be required: Upon publication in the Pennsylvania Bulletin

F. The date by which required permits, licenses or other approvals must be obtained: N/A

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

This rulemaking will be subject to internal review through the Department's Quality Control and Corrective Action review process which is monitored by the Federal Department of Health and Human Services.

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SECTION II: STATEMENT OF NEED

(11) State the statutory authority for the regulation. Include specific statutory citation.

Sections 201(2), 403(b) and 408(c) of the Public Welfare Code P.L. 31, No. 21 (62 P.S. §§ 201(2), 403(b) and 408 (c) and 7 CFR § 273.7(d) (4).

(12) Is the regulation mandated by any federal or state law or court order, or federal regulation? Are there any relevant state or federal court decisions? If yes, cite the specific law, case or regulation as well as, any deadlines for action.

This proposed rulemaking complies with 62 P.S. § 408(c) which states "...the department shall take into account availability, costs and the number of recipients needing services within the geographic area and shall seek to provide essential service to the greatest number of recipients."

A SNAP only participant may receive special allowances for supportive services not to exceed the types and timeframes prescribed by Federal law.

(13) State why the regulation is needed. Explain the compelling public interest that justifies the regulation. Describe who will benefit from the regulation. Quantify the benefits as completely as possible and approximate the number of people who will benefit.

This proposed rulemaking is needed to enhance program integrity and effectiveness so that funds for special allowances are available to the greatest number of participants with a verifiable and documented need for supportive services. The Department is amending the maximum amount and the frequency of special allowances to maximize scarce resources so that funds for special allowances are available to the greatest number of participants pursuant to state law. In addition, this proposed rulemaking provides for the recoupment or reduction of a Temporary Assistance for Needy Families (TANF) or General Assistance (GA) cash assistance grant to recover a special allowance for supportive services that was overpaid. The Department will not use recoupment to recover a special allowance for supportive services issued from SNAP funds.

This rulemaking will benefit individuals who agree to participate or are participating in approved work or work-related activities. There are approximately 13,260 participants receiving special allowances for supportive services that enable them to fully participate in activities that lead to self-sufficiency.

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(14) If scientific data, studies, references are used to justify this regulation, please submit material with the regulatory package. Please provide full citation and/or links to internet source.

Departmental data was used to support this regulation. The reduction in the maximum allowance and frequency of the provision of special allowances for tools and equipment, books and supplies, and fees will not adversely affect participants who request these supportive services. Findings support the average amount per issuance for some of these supportive services was notably less than the currently regulated maximum allowance. For example, the average payment is \$384.88 for tools and equipment, \$308.93 for books and supplies, and \$106.18 for fees. In addition, Departmental data indicates that participants have rarely utilized special allowances relating to adult incapacitated care, meals, lodging, moving and relocation.

(15) Describe who and how many will be adversely affected by the regulation. How are they affected?

This proposed rulemaking enhances program integrity and effectiveness so that funds for special allowances are available to the greatest number of participants with a verifiable and documented need for supportive services. This rulemaking benefits TANF and GA cash assistance and SNAP only participants who agree to participate or who are participating in approved work or work-related activities. Without special allowances for supportive services, individuals may otherwise be unable to participate in approved work-related activities, including employment.

Based on current regulation, the Department may authorize special allowances for supportive services to SNAP only participants to maintain employment. In accordance with section 4108 of the 2008 Farm Bill (Pub. L. 110-234), this rulemaking indicates that these individuals may qualify for special allowances after the individual participated in SNAP work-related activities that assisted the participant obtain employment for a period not to exceed timeframes as prescribed by this Federal law. Approximately 8,486 SNAP only participants receive special allowances. The Department estimates that approximately 50% or 4,243 participants may no longer qualify for a special allowance.

(16) 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.

TANF, GA and SNAP only participants who are complying with the work requirements as specified on an Agreement of Mutual Responsibility (AMR) or Employment Development Plan (EDP) and request special allowances will be required to comply with this rulemaking. This is approximately 155,673 participants.

§ 104/110

(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 that may be required.

There are no costs or savings to the regulated community associated with compliance.

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

There are no costs or savings to local governments associated with compliance. Not applicable.

(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 that may be required.

The Department is reducing the maximum amount for: 1) work training and education allowance, limiting the total amount to a \$2,000 lifetime limit; 2) Certain transportation changes, limiting the total to \$1,500 annually for public transportation and \$1,500 for private transportation; 3) changes in the Clothing and Uniform policy which allows an annual maximum limit of \$150, and an initiative to obtain clothing from public or nonprofit sources at no cost to the participants; 4) savings from eliminating certain allowances issued by contractors and the Department; 5) savings from transferring and limiting the Car Insurance issuances to \$1,500 lifetime limit; and 6) savings based on enhanced program oversight and effectiveness. Savings from the first fiscal year of implementation is \$5.910 million (\$4.710 million in State funds). Full-year implementation savings the following fiscal year is estimated at \$17.732 million (\$14.130 million in State funds).

The Department is increasing the maximum amount for: 1) Mileage reimbursement for RESET related activities from \$0.12 per mile to \$.25 per mile; and 2) Motor vehicle purchase allowance increase from \$750 per issuance to \$1,500, but only once per lifetime. The total of these two initiatives is estimated at \$3.711 million (\$2.957 million in State funds) for the fiscal year of implementation. Full-year implementation costs the following year is estimated at \$11.133 million (\$8.871 million in State funds).

In total, these regulations are expected to save \$2.199 million (\$1.753 million in State funds) in the first year, with the first full-year savings estimated at \$6.599 million (\$5.259 million in State funds).

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(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	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
SAVINGS:						
Regulated Community						
Local Government						
State Government	0	\$1.753 M	\$5.259 M	\$6.003 M	\$7.033 M	\$8.331 M
Total Savings						
COSTS:						
Regulated Community						
Local Government						
State Government	\$0	\$0	\$0	\$0	\$0	\$0
Total Costs						
REVENUE LOSSES:						
Regulated Community						
Local Government						
State Government	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue Losses						

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

The above estimates were based on revisions to reimbursement amounts, historical cost data, expected utilization trends and includes an adjustment for those special allowances being eliminated

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

Program	FY -3	FY -2	FY -1	Current FY
Cash Grants	\$478.338 M	\$254.459 M	\$258.079 M	\$268.579 M

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(21) Explain how the benefits of the regulation outweigh any cost and adverse effects.

The maximum allowance for purchase of required clothing has been adjusted to more adequately reflect the costs of goods and services. The Department is also amending the allowance for private transportation from 12¢ per mile to a rate determined by the Department, not to exceed the Commonwealth reimbursement rate for actual cost of gasoline. Currently the rate is 25¢ per mile.

Further, departmental data indicates the average amount per issuance for some supportive services was notably less than what is currently regulated. The amendments which categorize types of supportive services allow participants to choose how to utilize special allowances to best meet their needs. In addition, this rulemaking provides special allowances to the greatest number of participants with a verifiable and documented need for supportive services.

(22) Describe the communications with and input from the public and any advisory council/group in the development and drafting of the regulation. List the specific persons and/or groups who were involved.

The Department received input from affected individuals and organizations in the development of this regulation. On 11/16/2009, the Department met with representatives from PA Legal Services, Community Legal Services, and PA Legal Aid.

(23) Include a description of any alternative regulatory provisions which have been considered and rejected and a statement that the least burdensome acceptable alternative has been selected.

Nonregulatory alternatives were not considered since existing regulations needed to be amended to provide for these changes. It is necessary to amend the regulations to revise payment levels and rate of frequency of certain special allowances. The Department is amending both the maximum amount and the frequency for special allowances to maximize scarce resources so that funds for special allowances are available to the greatest number of participants with a verifiable and documented need for supportive services.

(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 regulations.

No, this rulemaking is not more stringent than Federal standards.

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(25) How does this regulation compare with those of other states? How will this affect Pennsylvania's ability to compete with other states?

As a result of implementing a maximum amount for each category of allowances, Pennsylvania's policies relating to special allowances for supportive services will be more comparable with those of other states.

A comparison with other states special allowance regulations indicates that Washington State has a limit of \$3,000 per participant per program year (July 1- June 30). Washington provides allowances such as educational expenses in the amount of \$300 per request, mileage reimbursement that is at the State employee rate and up to \$300 for each professional fee. Mississippi offers 3 categories of assistance. One is for transportation related items which has a maximum of \$300 per month. Another is for work-related items which has a maximum of \$500 per year. The third category pays for items for individuals enrolled in an unpaid activity. It limits payment up to \$5 per day and up to \$25 per week. Rhode Island does not categorize types of special allowances. However, this state offers a yearly maximum of \$200 for auto repair, books, clothing, and tools.

A comparison with neighboring states indicates that several of these states' special allowance levels are lower than Pennsylvania's. For example, New Jersey has a lifetime limit of \$500 to pay for all work-related expenses and a per diem rate for transportation. Once the lifetime limit is reached, there are no further issuances. Delaware and Maryland have no allowances at the State level. Each county or contractor is given a lump sum and the individual county or contractor has the authority to establish allowances and limits. Similarly, each district in New York submits a local employment plan describing which supportive services may be provided to individuals to participate in an employment and training program. There are no State regulations determining the maximum amounts or frequency of each special allowance. For example, one district may pay up to \$400 while another district may pay up to \$1,000 for vehicle repairs or vehicle insurance or both. Some districts may pay tuition or academic fees up to \$1,500 or \$2,100 per 12-month period.

This rulemaking will not put Pennsylvania at a competitive disadvantage.

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

This rulemaking will not affect existing regulations.

(27) Submit a statement of legal, accounting or consulting procedures and additional reporting, recordkeeping or other paperwork, including copies of forms or reports, which will be required for implementation of the regulation and an explanation of measures which have been taken to minimize these requirements.

Documentation is required for all types of verification for special allowances for supportive services. Verification of the need for special allowances is required prior to authorization. Further, a participant is also required to verify actual expenses. In addition, a provider of supportive services also may be required to verify the receipt of supportive services and the amount of payment.

(28) Please list any special provisions which have been developed to meet the particular needs of

Regulatory Analysis Form

affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

There are no special provisions to this rulemaking.

FISCAL YEARS 2005 - 2007

SPECIAL ALLOWANCES TO BE EFFECTED BY POLICY CHANGES

ALLOWANCE CATEGORY	BENEFIT REASON CODE	2005			2006			2007			2007
		TOTAL ISSUANCES	TOTAL DOLLARS	AVERAGE AMT / ISS	TOTAL ISSUANCES	TOTAL DOLLARS	AVERAGE AMT / ISS	TOTAL ISSUANCES	TOTAL DOLLARS	AVERAGE AMT / ISS	TOTAL AVERAGE AMT / ISS
<i>TOOLS EQUIPMENT</i>	257	1,740	\$659,100.83	\$378.79	1,772	\$695,064.61	\$392.25	1,587	\$656,415.66	\$413.62	\$394.31
	259	4,801	\$1,640,432.81	\$341.69	4,703	\$1,756,484.04	\$373.48	4,639	\$1,775,676.83	\$382.77	\$365.74
	857	215	\$137,787.34	\$640.87	257	\$190,522.35	\$741.33	228	\$158,236.50	\$694.02	\$695.07
	859	62	\$26,315.56	\$424.44	45	\$19,162.48	\$425.83	45	\$18,506.61	\$411.26	\$420.95
		6,818	\$2,463,636.54	\$361.34	6,777	\$2,661,233.48	\$392.69	6,499	\$2,608,835.60	\$401.42	\$384.98
<i>FEEES</i>	258	8,803	\$854,709.12	\$97.09	6,549	\$739,848.28	\$112.97	6,112	\$712,547.77	\$116.58	\$107.49
	858	299	\$13,512.70	\$45.19	131	\$9,147.44	\$69.83	125	\$8,112.95	\$64.90	\$55.45
		9,102	\$868,221.82	\$95.39	6,680	\$748,995.72	\$112.13	6,237	\$720,660.72	\$115.55	\$106.18
<i>BOOKS</i>	278	25,068	\$7,546,141.98	\$301.03	24,379	\$7,624,033.21	\$312.73	22,351	\$7,042,033.36	\$315.07	\$309.37
	878	419	\$106,626.38	\$254.48	270	\$77,834.36	\$288.28	208	\$60,945.64	\$293.01	\$273.59
		25,487	\$7,652,768.36	\$300.26	24,649	\$7,701,867.57	\$312.46	22,559	\$7,102,979.00	\$314.86	\$308.93

FISCAL YEAR 2005

SPECIAL ALLOWANCES TO BE EFFECTED BY POLICY CHANGES

ALLOWANCE CATEGORY	BENEFIT REASON CODE	C - TANK		U - TANK		D - GA		FS - Post Stamps		TOTAL	
		ISSUANCES	DOLLARS	ISSUANCES	DOLLARS	ISSUANCES	DOLLARS	ISSUANCES	DOLLARS	ISSUANCES	DOLLARS
TOOLS EQUIPMENT	257	702	\$204,357.11	130	\$41,245.37	3	\$1,355.36	905	\$412,142.99	1,740	\$659,100.83
	259	2,728	\$929,864.22	198	\$52,778.15	5	\$2,696.82	1,870	\$655,093.62	4,801	\$1,640,432.81
	857	145	\$91,722.03	70	\$46,065.31	0	\$0.00	0	\$0.00	215	\$137,787.34
	859	51	\$19,219.15	11	\$7,096.41	0	\$0.00	0	\$0.00	62	\$26,315.56
		3,626	\$1,245,162.81	409	\$147,185.24	8	\$4,052.18	2,775	\$1,067,236.61	6,818	\$2,463,636.84
FEES	258	5,671	\$503,644.12	634	\$33,487.86	3	\$180.00	2,495	\$317,397.14	8,803	\$854,709.12
	858	279	\$11,752.70	20	\$1,760.00	0	\$0.00	0	\$0.00	299	\$13,512.70
		5,950	\$515,396.82	654	\$35,247.86	3	\$180.00	2,495	\$317,397.14	9,102	\$868,221.89
BOOKS	278	11,267	\$3,336,446.48	689	\$196,637.47	27	\$8,976.56	13,085	\$4,004,081.47	25,068	\$7,546,141.98
	878	375	\$101,573.94	44	\$5,052.44	0	\$0.00	0	\$0.00	419	\$106,626.38
		11,642	\$3,438,020.42	733	\$201,689.91	27	\$8,976.56	13,085	\$4,004,081.47	25,487	\$7,652,768.36

FISCAL YEAR 2006

SPECIAL ALLOWANCES TO BE EFFECTED BY POLICY CHANGES

ALLOWANCE CATEGORY	BENEFIT REASON CODE	C - TANF		U - TANF		D - GA		FS - Food Stamp		TOTAL	
		ISSUANCES	DOLLARS	ISSUANCES	DOLLARS	ISSUANCES	DOLLARS	ISSUANCES	DOLLARS	ISSUANCES	DOLLARS
<i>TOOLS EQUIPMENT</i>	257	753	\$255,275.03	72	\$28,936.34	10	\$6,136.22	937	\$404,717.02	1,772	\$695,064.61
	259	2,563	\$961,924.93	129	\$43,400.36	11	\$5,761.90	2,000	\$745,396.85	4,703	\$1,756,484.04
	857	184	\$131,890.46	73	\$58,631.89	0	\$0.00	0	\$0.00	257	\$190,522.35
	859	30	\$11,537.98	15	\$7,624.50	0	\$0.00	0	\$0.00	45	\$19,162.48
		3,530	\$1,360,628.40	289	\$138,693.09	21	\$11,898.12	2,937	\$1,150,113.87	4,877	\$2,660,733.48
<i>FEEES</i>	258	3,891	\$404,203.32	382	\$26,257.13	3	\$160.00	2,273	\$309,227.83	6,549	\$739,848.28
	858	112	\$7,767.04	19	\$1,380.40	0	\$0.00	0	\$0.00	131	\$9,147.44
		4,003	\$411,970.36	401	\$27,637.53	3	\$160.00	2,273	\$309,227.83	6,680	\$748,995.74
<i>BOOKS</i>	278	10,181	\$3,179,352.04	577	\$175,418.86	11	\$3,236.40	13,610	\$4,266,025.91	24,379	\$7,624,033.21
	878	247	\$72,778.87	23	\$5,055.49	0	\$0.00	0	\$0.00	270	\$77,834.36
		10,428	\$3,252,130.91	600	\$180,474.35	11	\$3,236.40	13,610	\$4,266,025.91	24,649	\$7,701,867.57

FISCAL YEAR 2007

SPECIAL ALLOWANCES TO BE EFFECTED BY POLICY CHANGES

ALLOWANCE CATEGORY	BENEFIT REASON CODE	C - TANF		U - TANF		D - QA		FS - Food Stamps		TOTAL	
		ISSUANCES	DOLLARS	ISSUANCES	DOLLARS	ISSUANCES	DOLLARS	ISSUANCES	DOLLARS	ISSUANCES	DOLLARS
<i>TOOLS EQUIPMENT</i>	257	512	\$157,963.62	62	\$24,786.79	12	\$8,730.33	1,001	\$464,934.92	1,587	\$656,415.66
	259	2,267	\$852,560.28	122	\$36,387.30	1	\$50.00	2,249	\$886,679.25	4,639	\$1,775,676.83
	857	174	\$123,902.62	54	\$34,333.88	0	\$0.00	0	\$0.00	228	\$158,236.50
	859	35	\$12,956.16	10	\$5,550.45	0	\$0.00	0	\$0.00	45	\$18,506.61
		2,988	\$1,147,382.68	248	\$101,058.42	13	\$8,780.33	3,250	\$1,351,614.17	6,498	\$2,804,835.60
<i>FEEES</i>	258	3,531	\$356,142.58	277	\$19,845.81	5	\$336.30	2,299	\$336,223.08	6,112	\$712,547.77
	858	112	\$7,159.75	13	\$953.20	0	\$0.00	0	\$0.00	125	\$8,112.95
		3,643	\$363,302.33	290	\$20,799.01	5	\$336.30	2,299	\$336,223.08	6,237	\$720,660.72
<i>BOOKS</i>	278	7,748	\$2,372,243.96	389	\$120,465.78	14	\$4,626.47	14,200	\$4,544,697.15	22,351	\$7,042,033.36
	878	197	\$59,434.22	11	\$1,511.42	0	\$0.00	0	\$0.00	208	\$60,945.64
		7,945	\$2,431,678.18	400	\$121,977.20	14	\$4,626.47	14,200	\$4,544,697.15	22,559	\$7,102,979.00

Calendar Year 2008

Proposed Eliminated Codes

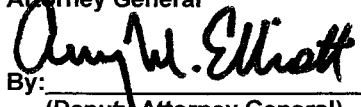
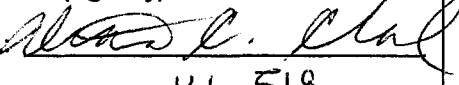
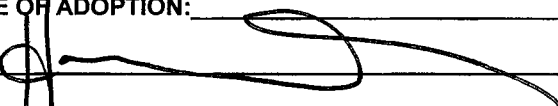

ALLOWANCE CATEGORY	BENEFIT REASON CODE	CANTON		DUNELAP		D. CA.		D. S. BOND STREET		TOTAL		
		ISSUANCES	DOLLARS	ISSUANCES	DOLLARS	ISSUANCES	DOLLARS	ISSUANCES	DOLLARS	ISSUANCES	DOLLARS	AVERAGE AMT / ISS
MOVING / RELOCATION COSTS	244	1	\$183.00	0	\$0.00	0	\$0.00	6	\$994.00	7	\$1,177.00	\$168.14
	245	0	\$0.00	0	\$0.00	0	\$0.00	4	\$342.76	4	\$342.76	\$85.69
	246	0	\$0.00	0	\$0.00	0	\$0.00	3	\$415.00	3	\$415.00	\$138.33
	247	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	\$0.00
	248	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	\$0.00
	844	2	\$400.00	1	\$200.00	0	\$0.00	0	\$0.00	3	\$600.00	\$200.00
LODGING / MEALS	254	14	\$1,788.80	2	\$304.00	0	\$0.00	22	\$4,329.04	38	\$6,421.84	\$169.00
	255	13	\$1,142.34	0	\$0.00	0	\$0.00	14	\$1,832.40	27	\$2,974.74	\$110.18
	854	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	\$0.00
	855	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	\$0.00
	276	23	\$1,377.90	1	\$18.75	0	\$0.00	35	\$9,691.64	59	\$11,088.29	\$187.94
	876	0	\$0.00	1	\$150.00	0	\$0.00	0	\$0.00	1	\$150.00	\$150.00
ADULT DEP CARE	277	8	\$629.50	0	\$0.00	0	\$0.00	9	\$1,437.67	17	\$2,067.17	\$121.60
	295	2	\$69.60	0	\$0.00	0	\$0.00	0	\$0.00	2	\$69.60	\$34.80
	296	1	\$150.00	0	\$0.00	0	\$0.00	0	\$0.00	1	\$150.00	\$150.00
CITIZEN'S ADVOCACY	297	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	\$0.00
	890	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	\$0.00
	891	0	\$219.60	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	\$0.00

CDL-1

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<p>Copy below is hereby approved as to form and legality. Attorney General  By: _____ (Deputy Attorney General) <u>APR 01 2010</u> 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><u>DEPARTMENT OF PUBLIC WELFARE</u> (Agency)</p> <p>LEGAL COUNSEL: </p> <p>DOCUMENT/FISCAL NOTE NO. <u>14-518</u></p> <p>DATE OF ADOPTION: _____</p> <p>BY: </p> <p>TITLE: <u>SECRETARY OF PUBLIC WELFARE</u> (Executive Officer, Chairman or Secretary)</p>	<p>Copy below is hereby approved as to form and legality, Executive or Independent Agencies  BY: _____ <u>Andrew C. Clark</u> <u>FEB 18 2010</u> Date of Approval</p> <p>(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 30 days after submission.</p>
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NOTICE OF PROPOSED RULEMAKING
DEPARTMENT OF PUBLIC WELFARE
OFFICE OF INCOME MAINTENANCE

[55 Pa.Code Chapter 165]

Road to Economic Self-sufficiency through Employment and Training (RESET) Program

Revisions to the Special Allowance for Supportive Services Requirements

Statutory Authority

Notice is hereby given that the Department of Public Welfare (Department) under the authority of the Public Welfare Code, Act of June 13, 1967, P.L. 31, No. 21, 62 P.S. §§ 201(2), 403(b) and 408(c) and 7 CFR § 273.7(d)(4) intends to amend the regulation set forth in Annex A.

Purpose of Regulation

The purpose of this proposed rulemaking is to enhance program integrity and effectiveness so that funds for special allowances are available to the greatest number of participants with a verifiable and documented need for supportive services. This proposed rulemaking amends regulations pertaining to special allowances for supportive services that the Department provides to individuals who apply for and receive cash assistance or Supplemental Nutrition Assistance Program (SNAP) benefits (formerly known as food stamps). These special allowances are limited to those who agree to participate in or who are participating in approved work or work-related activities. The Department is amending Chapter 165 (relating to the Road to Economic Self-sufficiency through Employment and Training Program) and Appendix A of this chapter (relating to employment and training special allowances). Appendix A enumerates the types of special allowances for supportive services for which the Department authorizes payment, including the rate and frequency of the payment. This proposed rulemaking also provides that future amendments to Appendix A may be accomplished by publishing a notice in the *Pennsylvania Bulletin*.

This rulemaking accomplishes the objective of maintaining the availability of special allowances in a fiscally responsible and cost effective manner given the current economic and budget crisis. This rulemaking amends both the maximum amount and the frequency for special allowances to maximize scarce resources so that funds for special allowances are available to the greatest number of participants. Under 62 P.S. §408(c) (relating to meeting special needs; work supports and incentives), the Department is required to “take into account availability, costs and the number of recipients needing services within the geographic area and shall seek to provide essential services to the greatest number of recipients.” Future adjustments to the amount of the payment for supportive services will be determined by the Department based on the availability of resources. By maximizing the Commonwealth’s scarce resources, this rulemaking complies with State law and ensures that assistance for supportive services is available to the greatest number of participants who verify and document the need for services.

In addition, Appendix A categorizes the type of special allowances into six general categories: public transportation; private transportation; motor vehicle purchase; motor vehicle insurance; clothing; and work, education and training. Each category includes the types of special allowances which may be issued by the Department and the maximum annual or lifetime amount.

Finally, this rulemaking provides for the recoupment or reduction of an overpayment of a Temporary Assistance for Needy Families (TANF) or General Assistance (GA) cash assistance grant to recover a special allowance for supportive services payment. The Department will not use recoupment to recover a special allowance for supportive services payment issued from SNAP funds.

Background

With the enactment of the Deficit Reduction Act of 2005, the TANF program was reauthorized. See Pub. L. 109 – 171. Under the reauthorized TANF program, the Commonwealth is required to increase the work participation rate (WPR) for families or the Commonwealth will face financial penalty of up to \$36 million. To avoid financial penalty, the Department has intensified its efforts to meet the Federal WPR and instituted new initiatives to ensure that all work-eligible individuals participate in approved work or work-related activities. As these participants enroll in employment and training activities or search for or obtain employment, the demand for special allowances for supportive services increases as does the strain on the Commonwealth's fiscal resources.

Further, under the Food, Conservation, and Energy Act of 2008 (Pub. L. No. 110-234), also known as the 2008 U.S. Farm Bill, section 4108 currently allows SNAP employment and training funds to be used to provide support to SNAP only participants who participated in other SNAP work-related activities and obtained employment. These funds allow the Department to provide additional support to these recipients.

Requirements

The following is a summary of the major provisions in the proposed rulemaking:

§165.1 (relating to general)

The Department proposes to amend §165.1 (a) by requiring a participant to participate and comply with RESET, including meeting hourly and other work and work-related requirements as specified on the Agreement of Mutual Responsibility (AMR) or Employment Development Plan (EDP). The Department proposes to revise §165.1(a) and add subsection (d) to clarify that the provisions of this chapter apply to participants who receive TANF and GA cash assistance and that the requirements in §§165.41-165.46 also apply to participants who receive SNAP only benefits. For SNAP only participants, a special allowance for supportive services may be authorized as determined by the Department only up to the employment start date, with the following exception. SNAP only participants who obtain employment after participating in a SNAP work-related activity may receive special allowances for supportive services not to exceed the types and timeframes permitted by Federal law.

The Department proposes to amend subsection (b) to clarify that special allowances for supportive services are made for the least costly item or service which is available and practical considering the location and hours of scheduled employment or training, and the location of the participant's residence in relation to the provider of the item or service.

§165.2 (relating to definitions)

The Department proposes to amend §165.2 to add the definition of “collateral contact” and “employment and training provider”. The Department proposes to define “SNAP only participant” to describe an individual who applies for or receives SNAP only benefits but does not receive cash assistance under TANF or GA programs. The Department proposes to revise the definition of “special allowances for supportive services” by replacing the phrase “to be necessary” with “to be required”. This definition is consistent with the revisions to §165.44 (relating to verification for special allowances for supportive services). Individuals must provide verification that a special allowance for supportive services is required by the employer or education and training provider. The Department also proposes to replace the phrase “prepare for seek, accept or maintain education, employment or training” with the phrase “participate in an approved work or work-related activities.”

§165.41 (relating to eligibility for special allowances for supportive services).

The Department proposes to revise § 165.41(a) by replacing the language “Cash Assistance or Food Stamp recipient” with the language “participant” for consistency. The Department proposes to delete §165.41(b) since the requirements of that paragraph are incorporated into paragraph (a). Consequently, §§165.41(c)-(f) are redesignated as §§165.41(b)-(e). The Department proposes to amend §165.41(e), formerly designated as §165.41(f), to provide that special allowances for supportive

services may be provided up to a maximum amount and frequency established by the Department in Appendix A.

The Department is amending subsection (b), formerly designated as subsection(c), to clarify that a special allowance is made only to the extent that item or service is not available from either a public or non-profit source. In addition, the Department is deleting the reference to parental choice since that exception relates to the deleted child care provisions. Those child care provisions are now codified in Chapter 168 (relating to child care).

Because special allowance for supportive services also apply to SNAP only participants, the Department is amending the language in subsection (d), formerly designated as subsection (e), to clarify this intent. In addition, the Department is also amending the same language in §165.44(b)(1) for conformity.

§§165.42(a) and (c), 165.44(c) and 165.46(a) (relating to advance payment of special allowances for supportive services; verification for special allowances for supportive services; types of special allowances for supportive services).

The Department is amending these subsections to delete all references to child care, as the regulations governing child care may be found in 55 Pa. Code Chapter 168.

§165.44 (relating to verification for special allowances for supportive services).

The Department is amending the verification requirements in this section to enhance program integrity and effectiveness. Verification of the need for special allowances for supportive services is required prior to authorization. Further, acceptable verification for special allowances may consist of written statements, collateral contacts or completed Departmental forms. If collateral contacts are used, it shall be documented in the participant's file.

The Department proposes to amend §165.44(a) to clarify that an individual must provide verification that the requested supportive service is required for participation in an approved work or work-related activity or to accept employment.

The Department is also amending subsection (b) to require that the participant must verify actual costs incurred for a reoccurring or nonrecurring special allowance for supportive services. In addition, verification may be required from a participant, a provider of supportive services, or both, to verify that the participant received the approved special allowance for supportive services and that the provider received payment for the amount the participant was eligible to receive.

Finally, the Department is further amending subsection (b) to provide that the Department will process an overpayment referral to recover special allowance for supportive services. Subsection (b) describes circumstances for which a referral may be appropriate.

§165.46 (relating to types of special allowances for supportive services).

The Department proposes to delete the provisions of §165.46(a) that relate to child care for GA recipients because regulations governing child care are found in Chapter 168. The Department is also proposing to delete the provisions relating to incapacitated care. Because the Department is responsible to provide essential services to the greatest number of recipients, the Department is deleting this provision because the use of this type of special allowance is uncommon and resources are limited. As a result of the proposed deletions of subsections (a) and (b), subsections (c)-(d) are redesignated as §165.46(a)-(c), respectively. Likewise, to maximize the Commonwealth's scarce resources, the special allowances for supportive services provisions relating to moving, relocation, air and long distance rail, lodging and food are also proposed to be deleted. The Department is including a category for motor vehicle insurance, if it is required for an individual to participate in a work or work-related activity, for the actual cost up to \$1,500 in a lifetime. A special allowance for motor vehicle insurance was previously administered by employment and training contractors. In addition, the Department is amending subsection (b)(5) to clarify that a special allowance is not available for reoccurring fees, such as license fees.

The Department also proposes to amend §165.46 to be consistent with revisions to §§165.41 and 165.44. References to "approved education or training activities" are replaced with the phrase "approved work-related activities" or "approved work or work-related activities." Since participants must now verify that supportive services are

required to participate in approved work or work-related activities, references to “need for,” “needed” or “necessary” supportive services are replaced with the term “required.”

The Department proposes to add §165.46(c) to provide that the Department may amend Appendix A as necessary based on the availability of funding and demand for supportive services. Amendments to Appendix A will be made by publishing a notice in the *Pennsylvania Bulletin*. This process will enable the Department to more efficiently revise Appendix A in response to increases or decreases in available funding, increases in the costs of goods and services and fluctuations in the number of individuals and families who require and qualify for special allowances for supportive services.

§165.91 (relating to restitution)

The Department is amending this section to clarify the Department is proposing to recover TANF-funded special allowance for supportive services overpayments through grant reduction or recoupment. Title II of the Family Support Act of 1988 (Pub. L. 100-485) created the Job Opportunities and Basic Skills (JOBS) Training Program. Under the JOBS program, states were prohibited from recovering special allowances for supportive services overpayments through recoupment. Since the JOBS Program was repealed with the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Pub.L. 104-193), states are no longer subject to this prohibition. This proposed revision does not apply to special allowances for supportive services payments issued using SNAP funds.

Appendix A (relating to employment and training special allowances)

The Department is proposing to amend the maximum amount and frequency of payments issued for special allowances. Participants will be offered special allowance payments up to a maximum amount for either an annual or lifetime limit. The Department also proposes to amend Appendix A to clearly show that SNAP only participants may qualify for payment of special allowances for supportive services.

Affected Individuals and Organizations

This proposed rulemaking affects individuals who receive TANF and GA cash assistance who are participating in approved work or work-related activities as specified on an approved Agreement of Mutual Responsibility (AMR). This proposed rulemaking also affects SNAP only participants who participate in approved work or work-related activities according to the provisions of their approved Employment Development Plan (EDP).

Accomplishments and Benefits

This proposed rulemaking will enhance program integrity and effectiveness so that funds for special allowances are available to the greatest number of participants with a verifiable and documented need for supportive services. This proposed rulemaking benefits individuals who receive TANF and GA cash assistance who are participating in approved work or work-related activities. This proposed rulemaking also

benefits SNAP only participants who must participate in approved work or work-related activities according to the provisions of their approved EDPs.

In addition, the maximum allowance for the purchase of motor vehicle has been adjusted to reflect a reasonable cost a participant may expect to incur. The Department is also amending the allowance for private transportation from 12¢ per mile to a rate determined by the Department, not to exceed the Commonwealth reimbursement rate for actual cost of gasoline. Further, the Department's proposal to reorganize special allowances into six categories allows participants to choose how to utilize these allowances to best meet their needs.

The Department's rationale for reducing the maximum limit for categories of special allowances is to maximize scarce resources. In addition, this reduction is also based on data collected and maintained by the Department that indicates current maximums established for these particular allowances are higher than actual usage supports. The proposed rulemaking also permits payment as often as required for approved work or work-related activities up to the maximum limit. Under this proposed rulemaking, individuals may qualify for and receive more than one special allowance for supportive services payment up to the maximum payment.

With the enactment of the Deficit Reduction Act of 2005 (Pub. L. No. 109-171) which reauthorized the TANF program, the onus is on Pennsylvania to increase the work participation rate (WPR) for families or the State will face financial penalty of up to

\$36 million. If the State incurs a financial penalty, there will be a reduction of funding available to families. To avoid fiscal sanctions, Pennsylvania has intensified its efforts to meet the Federal WPR and instituted new initiatives to ensure that all work-eligible individuals participate in approved work or work-related activities.

This proposed rulemaking complies with 62 P.S. §408(c), which provides that “in establishing time limits and levels of access to transportation and work support, the department shall take into account availability, costs and the number of recipients needing services within the geographic area and shall seek to provide essential service to the greatest number of recipients.” By proposing a maximum amount for special allowances and by categorizing special allowances, this rulemaking complies with State law and ensures that assistance to pay for work supports is available to the greatest number of individuals.

Fiscal Impact

The changes in the maximum amount for special allowances have savings which is estimated at \$5.910 million in the first fiscal year. Full year implementation savings the following fiscal year is estimated at \$17.732 million. The changes in the maximum allowance of payment for the purchase of a motor vehicle and mileage reimbursement is will result in a cost to the Commonwealth of \$3.711 million in the first fiscal year. Full-year implementation costs the following year is estimated at \$11.133 million. The net result of these changes is an estimated savings of \$2.199 million in the first year with the first full-year savings estimated at of \$6.599 million.

Paperwork Requirements

Documentation is required for all types of verification for special allowances for supportive services. Verification of the need for special allowances is required prior to authorization. Further, a participant is also required to verify actual expenses. In addition, a participant and a provider of supportive services also may be required to verify the receipt of supportive services and the amount of payment.

Effective Date

This rulemaking is effective upon final publication in the *Pennsylvania Bulletin*.

Public Comment

Interested persons are invited to submit written comments, suggestions or objections regarding the proposed rulemaking to the Department at the following address: Edward J. Zogby, Director, Bureau of Policy, 4th Floor, Health and Welfare Building, Harrisburg, PA 17105, 717-787-4081 within 30 calendar days after the date of publication of this proposed rulemaking in the *Pennsylvania Bulletin*. Reference Regulation No. 14-518 when submitting comments.

Persons with a disability who require an auxiliary aid or service may submit comments by using the AT&T Relay Service at 1-800-654-5984 (TDD users) or 1-800-654-5988 (voice users).

Regulatory Review Act

Under §5(a) of the Regulatory Review Act (71 P.S. §745.5(a)), on APR 12 2010 the Department submitted a copy of this proposed rulemaking to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the House Committee on Health and Human Services and the Senate Committee on Public Health and Welfare. In addition to submitting the proposed 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.

Under §5(g) of the Regulatory Review Act, if the IRRC has any comments, recommendations or objections to any portion of the proposed regulation, it may notify the Department and the Committees within 30 days after the close of the public comment period. Such notification shall specify the regulatory review criteria that have not been met. The Regulatory Review Act specifies detailed procedures for review by the Department, the General Assembly and the Governor, of any comments, recommendations or objections raised, prior to final publication of the regulation.

ANNEX A

TITLE 55. PUBLIC WELFARE

PART II. PUBLIC ASSISTANCE MANUAL

Subpart C. ELIGIBILITY REQUIREMENTS

CHAPTER 165. ROAD TO ECONOMIC SELF-SUFFICIENCY THROUGH
EMPLOYMENT AND TRAINING (RESET) PROGRAM

GENERAL RESET PROVISIONS

§165.1. General.

(a) A recipient who is not exempt shall participate in and comply with RESET, including meeting hourly and other work and work-related requirements as specified on the AMR or EDP, unless the recipient establishes good cause. An exempt individual may volunteer to participate in [RESET] an approved work or work-related activity and shall comply with the requirements of the AMR or EDP. The [CAO] Department will inform an applicant and recipient of the rights [and], responsibilities, and services and benefits available to RESET participants. [A] The Department or its agent will assess the recipient's ability to meet RESET participation requirements [will be assessed] after consultation with the recipient. [Applicants and recipients shall comply with this chapter.]

(b) The Department will provide RESET participants [, to the extent necessary,] with case management and [approved] special allowances for supportive services as [may be necessary] required to [support] help [participants in becoming] them become self-sufficient. The Department will authorize special allowances for supportive services for the least costly item or service which is available and practical considering the location and hours of scheduled employment or training, and the location of the participant's residence in relation to the provider of the item or service. In addition, the Department will provide participants [will be provided] with or [referred] refer them to [education, training, and employment-related] work or work-related activities designed to break the cycle of welfare dependency. To the extent it deems possible, the Department will identify and promote resources in the public and private sectors that may assist participants to prepare for and obtain employment [in jobs] they may realistically be expected to obtain.

(c) [The Department may, in its discretion, provide employment, education, training, work-related activities or work experience programs to applicants or recipients.] Nothing in this chapter shall be interpreted as requiring the Department to develop or to offer or to continue to offer employment, education, training, work-related activities or work experience programs.

(d) The provisions of this chapter apply to recipients of TANF and GA cash assistance. The provisions of §§ 165.41-165.46 also apply to SNAP only participants as defined in § 165.2 (relating to definitions). For SNAP only participants, a special

allowance for supportive services may be authorized as determined by the Department only up to the employment start date, with the following exception. SNAP only participants who obtain employment after participating in a SNAP work-related activity may receive special allowances for supportive services not to exceed the types and timeframes permitted by Federal law .

§ 165.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

* * * * *

Collateral Contact- A method to establish communication or obtain additional information which supports or reinforces information presented to the Department.

EDP—Employment Development Plan— An individualized agreement with the Department that is completed by the [Food Stamp recipient] SNAP only participant and is based on the individual's skills and abilities.

* * * * *

Employment and training provider-An entity funded or approved by the Department, that provides work or work-related skills instruction to enable participants to become self-sufficient.

* * * * *

Grant diversion—The use of all or a portion of a recipient's cash assistance grant and [Food Stamps] SNAP benefits as a wage supplement to an employer.

* * * * *

Participant-An individual who [is actively engaged] agrees to participate or is participating in a mutually agreed upon [and] approved work or work-related [education, employment or training related] activity.

* * * * *

SNAP – Supplemental Nutrition Assistance Program.

SNAP only participant-An individual who applies for and receives SNAP benefits but does not receive cash assistance under the TANF or GA programs.

Special allowances for supportive services—Payments for items and services [as determined by the] the Department determines to be required [necessary to enable] for a participant to [prepare for, seek, accept or maintain education, employment or training] participate in an approved work or work-related activity.

* * * * *

SPECIAL ALLOWANCES FOR SUPPORTIVE SERVICES

§ 165.41. Eligibility for special allowances for supportive services.

(a) A [cash assistance or Food Stamp recipient] participant may receive [certain] special allowances [to pay for in advance or to reimburse costs of] for supportive services, as specified in this chapter, to enable the individual to [prepare for, seek, accept or maintain education, training or employment] participate in an approved work or work-related activity for the number of hours as specified on the AMR or EDP. [Payment for supportive] Supportive services will be provided [made in advance] [whenever the payment is needed] if required by the individual to [begin or maintain a RESET] participate in an approved work or work-related activity.

(b) [For an individual seeking cash assistance to qualify to receive a special allowance for supportive services, the individual shall be determined eligible for cash assistance, participate in RESET unless exempt and have an approved AMR. For

an individual seeking only Food Stamps, to qualify for a special allowance for supportive services, the individual shall comply with an approved EDP. The approved AMR or EDP, whichever is applicable, must specify the activities for which the supportive services will be provided.

(c) A special allowance for supportive services is made only to the extent that the item or service is not available from another public or non-profit source at no cost to the individual, [does not interfere with parental choice as specified in §§ 165.46(a)(5) and 168.11(b) (relating to types of special allowances for supportive services; and general requirements),] and cannot be met by educational assistance. The activity may not be secondary education or an equivalent level of vocational or technical training, unless the individual is [a] pregnant [female] or a custodial parent.

[(d)] (c) The [CAO] Department will inform the individual, [in writing and] orally and in writing, of the availability of special allowances for supportive services at application [reapplication], redetermination, recertification and whenever the AMR or EDP is developed or revised.

[(e)] (d) The [CAO shall] Department will assist the participant to obtain supportive services required to participate in [employment, education, training and job search activities, including precomponent activities such as orientation] approved work or work-related activities as specified on an AMR or EDP, with one exception.

Supportive services are not available for a SNAP only participant to maintain current employment, except as provided in §165.1 (d) (relating to general).

[(f)] (e) Except as otherwise restricted in this chapter, special allowances for supportive services may be granted [as often as required to enable the individual to participate in an approved education or training activity and once for each job] up to the maximum amount and frequency established by the Department in Appendix A (relating to work and work-related special allowances).

§ 165.42. Advance [payment] provision of special allowances for supportive services.

(a) Special allowances for supportive services [,including child care, shall] will be [paid] provided in advance of the date [that payment is] required by the provider, consistent with the requirements and time frames in §[§]165.45 [and 168.1(b)(3)] (relating to time frames for authorization of payment of special allowances for supportive services[;and policy on payment of child care]).

* * * * *

[(c) This section does not apply to vendor payments for child care under §165.46(a) (11) (ii) (relating to types of special allowances for supportive services).]

§ 165.43. Requests for special allowances for supportive services and time frames for eligibility determinations.

(a) The [CAO shall] Department will document an oral or written request for a special allowance for supportive services. A written decision approving or denying the request [shall] will be issued by the [CAO] Department no later than 15-calendar days following the request.

(b) A Notice to Applicant as provided in Chapter 125 (relating to application process), shall be used to inform the [client] individual of the [CAO's] Department's decision on the request for supportive services.

* * * * *

§ 165.44. Verification for special allowances for supportive services.

(a) *Verification needed to authorize [payment] special allowances for supportive services.*

(1) Before authorizing the [initial payment] special allowance for supportive services, the [CAO shall] Department will determine the following:

(i) Whether the supportive service requested is [necessary] required to enable the participant to engage in an approved [education or training] work or work-related activity [or to apply for employment].

* * * * *

(2) [Verification of the need for] Verification, including collateral contact, that the special allowances for supportive services is required [only when it is not readily apparent] will be provided prior to authorization.

(3) Acceptable verification [of information need for initial authorization] consists of collateral [contracts] contacts, written statements or completed Departmental forms, obtained from sources such as employers, prospective employers, school officials, employment and training providers or providers of supportive services. If collateral contacts are used, the information will be documented in the participant's file.

(4) The [CAO shall] Department will use collateral contacts whenever necessary to ensure that payment is made in advance of the date that payment is required [by the provider].

(b) Verification needed [to review continued eligibility] for reoccurring and nonrecurring special allowances for supportive services.

(1) The participant's [continued] eligibility for a special allowance for a supportive service is reviewed monthly, or more often if [costs] expenses are likely to change, at each [reapplication,] redetermination or recertification, whenever a change in employment or training is reported by the participant or the employment and training provider, and whenever the AMR or EDP is revised.

[(2) To review the participant's continued eligibility, the CAO shall require verification of](i) A participant shall verify the actual costs incurred by the participant for the supportive service and [verification of] the participant's attendance at [an education or training activity or at employment] the approved work or work-related activity. The Department may require that the participant or provider of the supportive service, or both, verify that the participant received the approved special allowance for supportive services and that the provider received payment for the amount the participant was eligible to receive.

[(3)] (ii) When verification provided [to the CAO] indicates a change in eligibility, payment of the special allowance to the participant shall be reduced, terminated or increased, as appropriate, upon issuance of a confirming notice to the participant, in accordance with § 133.4(c) (relating to procedures).

(2) The Department will process an overpayment referral to recover a special allowance for supportive services in accordance §165.91 (relating to restitution) and Chapter 255 (relating to restitution). Circumstances for which a referral may be appropriate include the following:

(i) The participant was ineligible for cash assistance or SNAP only benefits in the month the Department issued a special allowance for supportive services.

(ii) The participant did not use the special allowance for supportive services for its intended purpose.

(iii) The actual cost of the supportive service was less than the estimated cost of the service.

(iv) The participant provided falsified or erroneous documentation to obtain a special allowance for supportive services.

(v) The participant received a reoccurring special allowance for supportive services when the need no longer existed.

(vi) The participant or provider of supportive services, or both,

did not provide verification, such as a receipt, that the supportive services requested were obtained using the special allowance payment.

(viii) The participant did not participate in or comply with RESET, including meeting hourly and other work and work-related requirements as specified on the AMR or EDP.

[(c) Special requirements related to child care for GA recipients.

(1) Child care costs shall be verified through a collateral contact by the CAO with the child care provider, by a written statement signed by the provider or on a form specified by the Department.

(2) When a special allowance for child care is authorized based on a collateral contact or a written statement from the provider, verification of the charge for child care on a form specified by the Department shall be submitted to the CAO within 30 days of the first day child care costs were incurred. The CAO shall assist the client, as needed, to obtain a completed verification form from the provider.

(3) Verification of factors other than cost relating to the need for child care shall consist of collateral contacts with, or written statement from, employers, prospective employers, physicians, licensed psychologists, school officials, or training providers or copies of court orders or pay stubs. The client's statement regarding

suspected child abuse is acceptable evidence. Information previously verified need not be repeated unless it is subject to change.]

§165.45. Time frames for authorization of [payment of] special allowances for supportive services.

(a) When verification is obtained or received by the [CAO] Department within 5-calendar days following a request for a special allowance for supportive services, if approved, the [CAO shall] Department will authorize [payment] the request no later than 10-calendar days following the date of request.

(b) When verification is obtained or received by the [CAO] Department more than 5 days following a request for special allowance for supportive services, the [CAO shall] Department will authorize [payment] the request no later than 5-calendar days after receipt of the verification.

(c) When the last day for authorization of payment falls on a weekend or holiday, the [CAO shall] Department will authorize [payment] the request on or before the working day immediately preceding the weekend or holiday.

(d) Authorization [of payment] shall include actually processing the data needed to issue a check, including completing required forms and performing data entry.

(e) The [CAO shall] Department will issue the written decision approving or disapproving the request for a special allowance for a supportive service within the time frame for authorization [of payment] in this section.

(f) [The CAO shall] For payments of special allowances for supportive services, the Department will use the method of payment, such as a county or central issuance, that is best calculated to provide payment to the [client] participant in advance of the date that payment for the supportive service is required by the provider.

§ 165.46. Types of special allowances for supportive services.

(a) [*Child care for GA recipients.*]

(1) Payment for child care is made to enable the caretaker/relative or custodial parent to participate in an approved education or training activity or to apply for employment.

(2) The CAO shall promptly inform an ETP participant who is in need of child care about the following:

(i) The types and locations of child care providers reasonably accessible to the participant.

(ii) The assistance available to help the participant select an appropriate child care provider.

(iii) The assistance available on request to help the participant obtain a child care provider.

(iv) That child care payments shall be paid in advance of the date that payment is required by the provider, consistent with the requirements and time frames in §165.45 (relating to time frames for authorization of payment of special allowances for supportive services), to ensure that the participant will have access to the child care provider of the participant's choice.

(3) Special allowances for child care are available for the following types of providers, including the following:

(i) Center-based care.

(ii) Group family day care.

(iii) Family day care.

(iv) Department of Education administered day care.

(v) Unregulated care.

(4) Child care payments may be made only to a person or business entity who allows parental access to the child while a child is in care without the need for prior notification and who provides care in accordance with applicable Federal, State and local law.

(5) The caretaker/relative shall have the right to choose from any type of child care that is available under this chapter and the right to choose any child care provider who meets the requirements of this chapter.

(6) Payments are made for care of a child who is one of the following:

(i) Twelve years of age or younger, living in the home of the parent or caretaker/relative and receiving cash assistance, or who would be eligible to receive cash assistance except for the receipt of SSI or foster care under Title IV-E of the Social Security Act (42 U.S.C.A. §§ 670—677).

(ii) Thirteen years of age or older if it has been verified by a physician or licensed psychologist that the child is not physically or mentally capable of caring for himself or it is verified that the child is under a court order requiring adult supervision, the child is living in the home of the parent or caretaker/relative and is

receiving cash assistance, or who would be eligible to receive cash assistance except for the receipt of SSI or foster care under Title IV-E of the Social Security Act.

(7) Payment is made for the eligible cost of child care up to the maximum allowance established by the Department in §168.1 (relating to policy on payment of child care) or the rate charged the general public, whichever is less, per child. Recipients receiving special allowances for child care before implementation of the maximum allowances continue to receive payment for actual reasonable costs incurred for child care. Eligible costs include charges for days on which the child does not attend due to illness, vacation, or the like. Charges for transporting the child to or from care are included if not levied as a separate charge by the provider.

(8) Payment for providing care of children will not be made to the following persons or business entities owned by:

(i) A biological or adoptive parent of the child.

(ii) A legal guardian of the child.

(iii) A stepparent of the child living in the home.

(iv) Persons receiving TANF as essential persons.

(v) Other members of the budget group of which the child is a member.

(9) Payment for child care shall be made for persons awaiting entry into, or during breaks in, approved education training or employment for one of the following:

(i) Up to 2 weeks.

(ii) Up to 30 days when it is verified that the arrangements would otherwise be lost in the interim period.

(10) Payment of child care shall be reasonably related to the hours of employment or ETP participation, including travel time.

(11) Payment for child care may be made by one of the following:

(i) Direct payment to the recipient when the provider is unregulated or is regulated but is not enrolled in the Department's child care vendor payment system.

(ii) Vendor payment to a regulated provider who has signed the Department's vendor payment agreement and who is enrolled in the Department's child care vendor payment system.

(iii) Restricted endorsement check to the recipient and provider.

(iv) The earned income deductions in §§183.94(3) and 183.95(2) (relating to TANF earned income deductions; and GA earned income deductions) for employed clients, except that clients earning wages in a work experience training activity may receive payment for the difference between the child care deduction and the maximum child care allowance established by the Department in §168.1 when the cost of child care exceeds the deductions in §§183.94(3) and 183.95(2).

(12) Child care services are not considered as needed when an unemployed biological or adoptive parent, specified relative or legal guardian is in the home unless that person is physically or mentally incapable of providing care or is involved in education, training, job search or employment related activities, or the child is at risk due to suspected child abuse or the custodial parent is participating in a Single Point of Contact or Department or Department of Education Pregnant and Parenting Youth Program.

(13) Preexpenditure approval is required unless the child care is for a job interview and the client is unable to contact the worker prior to the scheduled interview.

(b) *Care of incapacitated adults.* Payments are made for the eligible costs of nonmedical care up to the maximum rates established for infant care of an incapacitated adult living in the same home if care is required to enable a recipient to participate in an approved education or training activity or to apply for employment and no other sensible plan can be made for care of the incapacitated adult. Costs for care of incapacitated adults for maintaining employment are met by the earned income deductions in §§183.94(3) and 183.95(2) to help meet except that clients earning wages in a training activity, such as work experience, may receive payment for the difference between the deduction for care of an incapacitated adult found in §§183.94(3) and 183.95(2) and the actual non-medical cost incurred.

(1) There shall be verification of the person's incapacity and the need for the care.

(2) Payment] will be made for the actual cost of care.

(3) Payment for providing care will not be made to the following:

(i) The spouse of an incapacitated person.

(ii) An essential person.

(iii) Other members of the budget group of which the recipient or incapacitated adult is a member.

(4) Preexpenditure approval is required.

(c) *Transportation and related expenses.* [Payments are made for eligible transportation costs incurred due to participation in ETP activities or for accepting employment. Transportation costs under paragraph (1) or (2) for maintaining employment are met by the earned income deductions in §§ 183.94(1) and 183.95(2).] The Department will pay for transportation and related expenses required for an individual to engage in approved work or work-related activities up to the maximum allowance established in Appendix A (relating to work or work-related special allowances). [Payment is made] Transportation-related allowances are provided for the least costly type of transportation which is available and practical considering the location and hours of scheduled [employment or training] approved work or work-related activity, the [client's] participant's physical condition and the need to transport children to a child care provider. [Payment for transportation-related] Transportation-related [costs is] allowances are not [made] provided if the activity is secondary education or an

equivalent level of vocational or technical training unless the [person] individual is [a] pregnant [female] or a custodial parent.

(1) *Public transportation.* [Payment is made] Public transportation-related allowances are provided for costs incurred for transportation provided by bus, subway, commuter [or long distance] rail, taxi, [air,] paratransit or other recognized modes of transportation.

(i) [Payment for] An allowance for public transportation is the actual cost to the [client] participant up to the maximum amount established by the Department in Appendix A (relating to work and work-related special allowances).

(ii) [Except for air or long distance rail travel, preexpenditure approval is not required.] Verification of the need and the cost of transportation is required [within 30 days of the date the transportation expense was incurred].

(2) *Private transportation.* [Payment is made] Private transportation-related allowances are provided for costs incurred for transportation provided by privately owned vehicles, ride sharing and car or van pools.

(i) [Payment for] An allowance for private transportation provided by a vehicle owned by the [client] participant is the mileage rate established by

the Department in Appendix A and the actual cost of parking and highway or bridge tolls up to the maximum [monthly] amount established by the Department in Appendix A.

(ii) [For an allowance provided for the client to ride with a volunteer car and driver, the volunteer driver is paid at] An allowance for transportation provided by a volunteer driver or if the participant is permitted to use another person's vehicle is the mileage rate established by the Department in Appendix A [,] and the actual cost of [the] parking and highway or bridge tolls up to the maximum [monthly] amount established by the Department in Appendix A.

(iii) [For an] An allowance provided for transportation by a car or van pool [,] is the [client receives a] participant's proportionate share of the cost up to the maximum [monthly] amount established by the Department in Appendix A. If the [client's] participant's share is a flat fee, the payment is the actual fee [is used] up to the maximum [monthly] amount established by the Department in Appendix A.

(3) *Motor vehicle purchase or repair.* When there is no other type of practical transportation available or other available transportation is more expensive, a special allowance may be authorized toward the purchase, down payment [to purchase] or repair of a motor vehicle for an individual to [accept a firm job offer, to prevent the loss of current employment, to attend an approved education or training activity or to transport children to day care while the client is employed or participates] participate in an approved [education or training] work or work-related activity.

(i) The maximum total allowance toward a motor vehicle purchase, down payment and repair is limited to [a] the rate and frequency established by the Department in Appendix A.

* * * * *

(4) *Motor vehicle-related expenses.* The cost of a driver's license, State inspection fee, emission control inspection fee, license plates, and vehicle registration fee may be authorized for a participant if they are [needed] required for [an individual to accept a firm job offer, to attend an approved education or training activity, or to transport children to day care while the client participates] participation in an approved [education or training] work or work-related activity.

(i) Payment is made for actual cost up to the maximum allowance and frequency established by the Department in Appendix A

* * * * *

(5) [*Moving/relocation costs.* A special allowance may be granted if an individual is relocating to accept a verified offer of gainful, permanent employment and if the individual has not received a moving allowance for any reason within the previous 12 months.

(i) Payment is not made for moves by unlicensed moving companies except as provided for in §175.23(b)(3)(i)(C) (relating to requirements).

(ii) The maximum allowance toward moving/relocation costs is limited to the rate established by the Department in Appendix A, in a 12-month period. The 12-month period begins with the first authorization of this allowance.

(iii) Preexpenditure approval is required.

(6) *Lodging and food.* A special allowance toward lodging and food may be granted if an individual has to be away from home one or more nights to apply for employment or an approved education or training activity or to attend training.

(i) Payment for lodging will be made for actual costs up to the rates established for Commonwealth employees by the Office of Administration. These rates will be available upon request at the CAO. When lodging cannot be located with a reasonable effort within these rates, the rates may be exceeded. The rate may also be exceeded if the client is required to stay in a specific hotel or motel. A complete explanation of lodging costs in excess of the rate shall be documented in the CAO record.

(ii) Payment for food will be made for each 24-hour period the individual has to be away from home in accordance with the rates established for

Commonwealth employees by the Office of Administration and the Office of the Budget. These rates will be available upon request at the CAO. Overnight travel of less than 24 hours will be divided into 6-hour periods and reimbursed at the fractional day allowance rates. An allowance will not be provided for less than 3 hours. Payment will not be made for meals provided by a prospective employer or included as part of registration fees.

(iii) Preexpenditure approval is required.]

Motor vehicle insurance. The cost of motor vehicle insurance may be authorized if the allowance is required for participation in an approved work or work-related activity.

(ii) The allowance is provided only to participants who use their own vehicles.

(ii) Payment is made for actual cost up to the maximum allowance established by the Department in Appendix A.

(iii) Preexpenditure approval is required.

[(d)] (b) Other expenses related to [employment and training] approved work and work-related activities. Special allowances may be authorized for other items related to [applying for or accepting employment or for participating] participation in

approved work or work-related [education or training] activities. Preexpenditure approval is required. The maximum allowances for these items are subject to the rates and frequencies established by the Department in Appendix A.

(1) *Clothing.* [A special allowance may be authorized for street or business] The Department may refer a participant to other public or nonprofit sources that provide clothing and grooming items at no cost. If these sources are not available or do not have appropriate clothing or other required items, the Department may authorize a special allowance for supportive services for clothing and grooming items [needed accept a job or to enter an approved education or training activity or specialized clothing, such as uniforms or safety shoes verified by the employer or training provider as needed for the client to work at a job or] required to participate in an approved [education or training] work or work-related activity.

(2) *Tools and other equipment.* A special allowance may be authorized for tools and other equipment [, such as goggles, helmets and wrenches] which an employer, education, employment or training provider [specifies are necessary] requires for [employment or] participation in an approved work or work-related activity but which are not provided by the employer, education, employment or training provider and are not available under Federal, State or other educational grants.

(3) *Books and supplies.* A special allowance may be authorized for books and supplies [, such as pens, pencils, wristwatches or thermometers] that an

employer or employment and training provider requires for [a client] a participant to [attend] participate in an approved [education or training] work or work-related activity if these items are not provided by the employer or training provider and are not available under Federal, State or other educational grants.

(4) *Fees.* A special allowance for supportive services may be authorized for a fee [for taking] to take a test such as a high school equivalency test, a test that is a prerequisite for employment [,] or for registration or enrollment fees required for [a client] an individual to enter an approved [education or training course] work or work-related activity. Tuition is not construed to be a fee.

(5) *Union dues and professional fees.* If payment of union dues or professional fees is a condition of employment, a special allowance for supportive services may be [granted] authorized to participants who receive TANF or GA cash assistance for the initial fee only and for the period up to the date of the [client's] participant's first pay. A special allowance for supportive services may not be issued to pay for reoccurring fees, such as license fees, even if they are necessary for the individual to maintain employment.

(c) Amendments to Appendix A. The Department may amend the provisions of Appendix A as necessary based on availability of funding and demand for supportive services. Revisions will be published as a notice in the *Pennsylvania Bulletin* as recommending codification in Appendix A.

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RESTITUTION

§ 165.91. Restitution.

The Cash Assistance provisions of Chapter 255 (relating to restitution) apply except that the provision for recoupment of an overpayment does not apply to special allowances for supportive services issued to SNAP only participants.

APPENDIX A

[EMPLOYMENT AND TRAINING] WORK AND WORK-RELATED SPECIAL ALLOWANCES

<i>[Allowance</i>	<i>Frequency</i>	<i>Maximum Allowance</i>
Child Care	—as required for education, training, job application or job interview	—actual cost subject to the maximum established by the Department, for allowances granted after implementation of the maximum allowances —actual reasonable cost for recipients receiving child care allowances before implementation of the maximum allowances
Care of Incapacitated Adults	—as required for education, training, job application or job interview	—actual cost of nonmedical care up to the maximum rates established for infant care
Transportation Public	—no limit on the	— up to \$250 total per month as determined below:
number of trips for job		

<ul style="list-style-type: none"> —bus —subway —commuter rail —taxi —paratransit —air —long distance rail 	<p>interviews, education or training activities</p> <hr/> <p>—for employment, may be authorized for the period up to the date of the first pay</p>	<p>—actual cost except for air and long distance rail travel, which is provided at actual cost at the lowest available rate</p>
<p>Private</p> <ul style="list-style-type: none"> —privately owned vehicle —volunteer car and driver 	<p>—no limit on the number of trips for job interviews, education or training activities</p> <hr/> <p>—for employment, may be authorized for the period up to the date of the first pay</p>	<p>— \$.12 per mile plus the actual cost of parking and highway and bridge tolls</p>
<ul style="list-style-type: none"> —car or van pool 	<p>—same as above</p>	<p>—proportionate share of cost as determined above or flat fee</p>
<p>Motor Vehicle Purchase and Repair</p>	<ul style="list-style-type: none"> —once per job —as required for education or training activities 	<p>—actual cost up to \$200 for purchase and repair</p>
<p>Motor Vehicle</p>	<ul style="list-style-type: none"> —once per job 	<p>—actual cost up to \$200.</p>

<p>Related Expenses</p> <ul style="list-style-type: none"> —driver's license —state inspection fee —emission control inspection fee —license plates —vehicle registration fee 	<p>—as required for education or training activities</p>	
<p>Moving/Relocation Costs to Accept Employment</p>	<p>—no more than once in a 12-month period</p>	<p>—actual cost up to \$200.</p>
<p>Lodging</p>	<p>—once for each application or interview for a job</p> <p>—as required for education or training</p>	<p>—actual cost subject to the maximum rate established for Commonwealth employees by the Office of Administration</p>
<p>Food</p>	<p>—once for each application or interview for a job</p> <p>—as required for education or training</p>	<p>—actual cost subject to the maximum rate established for Commonwealth employees by the Office of Administration and the Office of the Budget.</p>
<p>Clothing</p>	<p>—once per job</p>	<p>—actual cost up to \$75.</p>

	—as required for education or training activities	
Tools and Equipment	—once per job —as required for education or training activities	—actual cost up to \$2,000.
Books and Supplies	—as required for education or training activities	—actual cost up to \$500.
Fees	—once per job —as required for education or training activities	—actual cost up to \$250.
Union Dues/Professional Fees	—once per job —may be authorized for the period up to date of the first pay	—actual cost up to \$250.]

<u>Type of Allowance</u>	<u>Frequency</u>		<u>Maximum Allowance</u>
	<u>TANF or GA</u>	<u>SNAP Only</u>	
<u>PUBLIC TRANSPORTATION RELATED ALLOWANCES</u>			-actual cost up to \$1,500 annually
<u>Transportation Public</u> —bus —subway —commuter rail —taxi —paratransit	- as required for job interviews, work or work-related activities	- as required for job interviews, work or work-related activities	
	-for employment, may be authorized for the period up to the date of the first pay	-for employment, may be authorized for the period up to the start date	
<u>PRIVATE TRANSPORTATION RELATED ALLOWANCES</u>			-actual cost up to \$1,500 annually
<u>Transportation Private</u> —privately-owned vehicle —volunteer car and driver	- as required for job interviews, work or work-related activities	- as required for job interviews, work or work-related activities	-mileage reimbursement rate will be set by the Department by notice not to exceed Commonwealth reimbursement rate for actual cost of gasoline, plus the actual cost of parking and highway and bridge tolls
	-for employment, may be authorized for the period up to the date of the first pay	-for employment, may be authorized for the period up to the start date	
<u>Transportation Car or van pool</u>	- as required for job interviews, work or work-related activities	- as required for job interviews, work or work-related activities	

	<u>-for employment, may be authorized for the period up to the date of the first pay</u>	<u>-for employment, may be authorized for the period up to the start date</u>	
<u>Motor Vehicle Repair</u>	<u>- as required for work or work-related activities</u>	<u>-as required for work or work-related activities or if required to accept employment</u>	
<u>Motor Vehicle-Related Expenses</u> <u>—driver's license</u> <u>—state inspection fee</u> <u>—emission control inspection fee</u> <u>—license plates</u> <u>—vehicle registration fee</u>	<u>-as required for work or work-related activities</u>	<u>-as required for work or work-related activities or if required to accept employment</u>	
<u>MOTOR VEHICLE PURCHASE</u>	<u>-as required for work or work-related activities</u>	<u>-as required for work or work-related activities or if required to accept employment</u>	<u>-actual cost for one vehicle up to \$1,500 in a lifetime.</u>
<u>MOTOR VEHICLE INSURANCE</u>	<u>-as required for work or work-related activities</u>	<u>-as required for work-or work-related activities or if required to accept employment</u>	<u>-actual cost up to \$1,500 in a lifetime.</u>
<u>CLOTHING</u>	<u>-as required for work or work-related activities</u>	<u>-as required for work or work-related activities or if required to accept employment</u>	<u>-required clothing or actual cost of clothing up to \$150 annually</u>
<u>WORK, EDUCATION AND TRAINING RELATED ALLOWANCES</u>			<u>-actual cost up to \$2,000 in a lifetime</u>

<u>Tools and Equipment</u>	<u>-as required for work or work-related activities</u>	<u>-as required for work or work-related activities or if required to accept employment</u>	
<u>Books and Supplies</u>	<u>-as required for work or work-related activities</u>	<u>-as required for work or work-related activities</u>	
<u>Fees</u>	<u>-as required for work or work-related activities</u>	<u>-as required for work-or work-related activities or if required to accept employment</u>	
<u>Union Dues/Professional Fees</u>	<u>-may be authorized for the period up to date of first pay</u>	<u>-may be authorized for the period up to the start date</u>	

TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE REGULATORY REVIEW ACT

I.D. NUMBER: 14-518
SUBJECT: REVISIONS TO THE SPECIAL ALLOWANCE FOR SUPPORTIVE SERVICES REQUIREMENTS
AGENCY: DEPARTMENT OF PUBLIC WELFARE

RECEIVED

APR 12 2010

INDEPENDENT REGULATORY REVIEW COMMISSION

TYPE OF REGULATION

- X 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

Table with columns: DATE, SIGNATURE, DESIGNATION. Rows include House Committee on Health & Human Services, Senate Committee on Public Health & Welfare, Independent Regulatory Review Commission, and Legislative Reference Bureau.