

<p>Regulatory Analysis Form (Completed by Promulgating Agency)</p> <p>(All Comments submitted on this regulation will appear on IRRC's website)</p>	<p>INDEPENDENT REGULATORY REVIEW COMMISSION</p> <p>RECEIVED</p> <p>MAR 28 2023</p> <p>Independent Regulatory Review Commission IRRC Number: 3275</p>
<p>(1) Agency Department of Human Services (Department)</p>	
<p>(2) Agency Number: 14-545 Identification Number:</p>	
<p>(3) PA Code Cite: 55 Pa. Code Chapter 3042</p>	
<p>(4) Short Title: Subsidized Child Care Eligibility</p>	
<p>(5) Agency Contacts (List Telephone Number and Email Address):</p> <p>Primary Contact: Michael Ordonez (717) 265-8906 mordonez@pa.gov</p> <p>Secondary Contact: Jessica Sands (717) 787-8082 jsands@pa.gov</p>	
<p>(6) Type of Rulemaking (check applicable box):</p> <p><input type="checkbox"/> Proposed Regulation</p> <p><input checked="" type="checkbox"/> Final Regulation</p> <p><input type="checkbox"/> Final Omitted Regulation</p>	<p><input type="checkbox"/> Emergency Certification Regulation;</p> <p><input type="checkbox"/> Certification by the Governor</p> <p><input type="checkbox"/> Certification by the Attorney General</p>
<p>(7) Briefly explain the regulation in clear and nontechnical language. (100 words or less)</p> <p>The purpose of this final-form rulemaking is to align the Department's eligibility requirements with the requirements set forth in the Federal Child Care and Development Block Grant of 2014 (42 U.S.C.A. §§ 9857—9858r, as reauthorized by Pub. L. No. 113-186) (CCDBG). Sections 201(2), 403(b) and 403.1 of the Human Services Code (62 P.S. §§ 201(2), 403(b) and 403.1) authorize this regulation, which complies with the changes in Federal law including minimum 12-month redeterminations, continued eligibility regardless of increases in earnings (within the Federal eligibility limit of 85% of the State median income (SMI)) and temporary changes in work, education or training.</p> <p>The final-form regulation also provides additional changes proposed by the Department by expanding the definitions of caretaker and education; redefining self-employment; allowing for 92 days of presumptive eligibility at redetermination for a parent or caretaker who has work verified to begin by the end of such period; prohibiting new enrollments of children receiving subsidized child care when the Department revokes or refuses to renew the provider's certificate of compliance; allowing a parent or caretaker to hold a child back from attending kindergarten for one additional year; and increasing the total number of paid absences per year.</p>	

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

Sections 201(2), 403(b) and 403.1 of the Human Services Code (62 P.S. §§ 201(2), 403(b) and 403.1).

The final-form regulation also aligns eligibility requirements for subsidized child care services with the requirements set forth in the Federal Child Care and Development Block Grant (42 U.S.C.A. §§ 9857—9858r, as reauthorized by Pub. L. No. 113-186).

(9) 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.

These final-form regulations align subsidized child care eligibility requirements with the requirements set forth in the Federal Child Care and Development Block Grant (42 U.S.C.A. §§ 9857—9858r, as reauthorized by Pub. L. No. 113-186). These final-form regulations will ensure full compliance with all federal requirements.

(10) 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.

These final-form regulations will ensure compliance with the Federal law and allow the Commonwealth to continue to receive Child Care and Development Funds (CCDF).

The required minimum 12-month eligibility periods and the required changes to the reporting requirements will provide families with stable and continuous access to subsidized child care services regardless of temporary changes in circumstances of the parent or caretaker during the eligibility period as they work toward economic security.

Consistent with the Federal Child Care and Development Block Grant (CCDBG), the final-form regulations will expand the minimum eligibility period from 6 months to 12 months during which time eligible families have continuous access to subsidized child care assistance irrespective of temporary changes in circumstances of the parent or caretaker during the eligibility period. Unemployment and job loss are disruptive to any family, but either occurrence can be especially detrimental to low-income families and their children because none are likely to have well-defined support systems.

The final-form regulation will stabilize families' access to child care subsidy, and in turn, will help stabilize their employment, education or training, and their child's healthy development.

Such improved stability for families also has the potential to stabilize the revenue of child care providers that receive subsidy payments, as they experience more predictable, reliable and timely payments for service.

The final-form regulation will benefit all low-income children and families that receive subsidy, families transitioning off Temporary Assistance for Needy Families (TANF) benefits, providers receiving subsidy payments, as well as the eligibility agencies. Safe, stable environments allow young children the opportunity to develop the relationships and trust necessary to comfortably explore and learn from their

surroundings. Research has demonstrated a relationship between child care stability and social competence, behavior outcomes, cognitive outcomes, language development, school adjustment and overall child well-being. Adams, G. and Rohacek, M. (2010). "Child Care Instability: Definitions, Context, and Policy Implications." *The Urban Institute*, page 6. Retrieved from <https://www.urban.org/research/publication/child-care-instability-definitions-context-and-policy-implications>.

The final-form regulation may benefit at least 83,000 children from as many as 49,000 families who receive subsidized child care services at the more than 7,000 total providers (regulated and relative). If enrollments return to pre-pandemic enrollment levels, there may be as many as 105,000 children from as many as 61,000 families receiving subsidized child care from as many as 8,200 total providers serving children who are receiving subsidized child care services. Of the total number of providers, whether at the current level or at pre-pandemic levels, there are approximately 5,100 regulated providers, ranging from independently-owned family child care homes to corporations that employ thousands of individuals. Of those regulated providers, over 3,600 out of the 5,100 regulated child care providers are considered small businesses.

(11) 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.

This final-form regulation is not more stringent than Federal standards. The final-form regulation is consistent with the requirements of the Federal Child Care and Development Block Grant (42 U.S.C.A. §§ 9857—9858r, as reauthorized by Pub. L. No. 113-186).

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

This final-form rulemaking will not put Pennsylvania at a competitive disadvantage with other states because all states are required to comply with the Federal law in order to receive federal funding. To the extent that Pennsylvania's requirements differ from those in other states, such differences do not reflect on Pennsylvania's ability to compete because no state's early child care system is verbatim the same as one of the others.

Be that as it may, the increase in permitted absences in this final-form rulemaking is still modest in relation to those afforded by other states in Region III; which range from as low as 46 per year in Virginia up to 8 per month in the District of Columbia.

As for the number of days considered to be excessive and unexplained, the Department notes that regulatory differences between the child care systems of the contiguous states make direct comparison difficult. Specifically, suspension is itself not required by the CCDBG, nor is early termination for excessive, unexplained absences. See 45 CFR 98.21. The contiguous states of Maryland, New York, Ohio, and Virginia do not terminate subsidy early for excessive, unexplained absences. Meanwhile, the contiguous states of New Jersey and West Virginia do terminate early, although the stated number of absences to be considered excessive varies between 10 days for New Jersey up to 90 days for West Virginia. New Jersey, notably, has temporarily suspended the policy in the wake of the COVID-19 public health emergency. Also notably, neither of these states utilize suspension, as is done under the existing Chapter 3041 and under this final-form rulemaking. Suspension is and has been the Department's practice to ensure that subsidy dollars are used as intended, so that the subsidy is suspended following notice the child has been absent from care

for more than 5 consecutive days. This final-form rulemaking states excessive, unexplained absences as being 60 consecutive days of unexplained non-attendance in care. The Department determined the number of days strikes the appropriate balance between ensuring subsidies are used as intended and as needed, and by families who are in actual and current need of the subsidy.

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

This final-form regulation replaces 55 Pa. Code Chapter 3041 in its entirety. This final-form regulation does not affect any other regulations of the Department or another State agency.

(14) Describe the communications with and solicitation of input from the public, any advisory council/group, small businesses and groups representing small businesses in the development and drafting of the regulation. List the specific persons and/or groups who were involved. ("Small business" is defined in Section 3 of the Regulatory Review Act, Act 76 of 2012.)

The Department's Office of Child Development and Early Learning (OCDEL) met with members of the Early Learning Council and various child care advocates to discuss the changes under Federal law and obtain their input on how to implement these changes. The Early Learning Council; it is composed of representatives of the education, business, families, and low-income parent and provider advocacy communities. OCDEL held a series of these meetings in 2015, 2016, and 2017.

OCDEL also held regional meetings with our partners that will be directly affected by these changes, including the eligibility agencies, child care certification staff, the Regional Keys that work with child care and education providers to improve quality, and the Pennsylvania Key that provides Statewide leadership in the development of an integrated and coordinated system of program quality improvements and professional development supports for early care and education. OCDEL held a series of these meetings in 2015 and 2016.

The Department held three public hearings for the State's plan to implement the Child Care and Development Block Grant. The plan was made available for public comment from April 27, 2018, through May 26, 2018. Public hearings were conducted April 30, 2018, in Harrisburg; May 8, 2018, in Philadelphia and May 9, 2018, in Pittsburgh.

The Department published its notice of proposed rulemaking on November 14, 2020, and a public comment period was open from November 14, 2020, until December 14, 2020. During the public comment period, the Department received extensive comments from the Community Justice Project (CJP) about several areas of the rulemaking. Following the public comment period, the Department video-conferenced with CJP on four occasions to discuss their feedback. Specifically, the Department video-conferenced with CJP on March 9, March 18, March 30, and April 6, 2021, during which times the Department and CJP jointly reviewed and discussed all of CJP's written comments.

(15) Identify the types and number of persons, businesses, small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012) and organizations which will be affected by the regulation. How are they affected?

Long term, as many as 61,000 families representing as many as 105,000 children will receive care from as many as 8,200 total providers (regulated and relative providers), for no less than 12 months of subsidized

child care before eligibility is redetermined. This change provides for continuous eligibility for families throughout the 12-month period as long as they do not exceed 85% of the State median income or accrue excessive, unexplained absences, leave the state, or commit intentional program violations. Stable child care is critical to strengthening parents' and caretakers' ability to go to work, improving their prospects in the job market and increasing their earning potential. In addition, continuity in child care is important for creating the stable conditions children need for their healthy development and preparing for school.

The Department will not permit a child to be determined ineligible for failing to enroll with an eligible child care provider within 30 calendar days unless the parent or caretaker fails to provide a circumstance outside the parent's or caretaker's control. This change clarifies if a parent or caretaker provides a circumstance outside of a parent's or caretaker's control, the child will be temporarily eligible and may be added to the waiting list, if applicable. The change ensures parent choice and addresses concerns over families who may reside in a child care desert.

Next, the Department is codifying its existing policy regarding co-payment limitations under the final-form rulemaking. This existing 7% cap is an estimated annualized cost to the Commonwealth of \$16.5 million. Funding has been requested for fiscal year 2023-2024. ARPA Discretionary Funds will cover the full cost of the change in State Fiscal Year (SFY) 23-24 and partially cover the cost in SFY 24-25, after which time CCDF funds or state funds, or both, will cover the full cost.

The Department will not allow a parent or caretaker who owns a certified child care facility to be paid subsidy dollars to care for their own child, with reference to the definition of "child care." The Department explained that the final-form subsection is narrowly tailored such that it pertains only to situations where a parent or caretaker is the owner of a certified child care facility. To the extent there is such an impact, the Department determines that the cost is outweighed by the fact that subsidy dollars are scarce, public funds, and so this final-form subsection prohibits only situations in which the owners of certified child care facilities are paid subsidy dollars to care for their own children. Further, the final-form requirement expands eligibility because the subsidy limitation only relates to a child receiving care in a facility owned by the eligible child's parent or caretaker. If otherwise eligible, subsidized child care may be received at a different facility.

Further, the Department will not pay for enrollments of children receiving subsidized child care services at providers that do not meet the basic health and safety requirements. As for the numbers of families these changes will impact, the Department conducted a review of the instances of revocations and refusals to renew for SFY 2021-2022, and after review, the Department noted there were approximately 31 revocations or refusals to renew that impacted on 447 enrollments. Notably, not all certified child care providers participate in the Child Care Works (CCW) program. For SFY 2021-2022, the numbers of facilities issued revocations or refusals to renew were 20 child care centers, 3 group child care homes, and 8 family child care homes. The Department notes the bulk of the enrollments, 428, were located in child care centers, and the noted facilities were located in various regions throughout the Commonwealth. The Department also notes that it upholds health and safety protections for children in care throughout this Commonwealth irrespective of the provider type and provider regional location, and whether a provider participates in the CCW program.

The fiscal impacts to providers and the impacts on parent choice for families are outweighed by ensuring that public funds are directed to providers meeting basic health and safety requirements to ensure the protection of the health and safety of this Commonwealth's most vulnerable and disadvantaged children, as consistent with the CCDF. Specifically, only providers whose certificate of compliance has been revoked or refused to renew by the Department's Bureau of Certification Services will be impacted because the Department will no longer pay for subsidized child care enrollments at these providers. The Department

notes these providers can still provide services to private-pay families should the provider choose to appeal the determination of the Department's Bureau of Certification Services. The Department reiterates the statements from the preamble of the federal regulation, that "we cannot in good conscience continue to use any federal taxpayer dollars to support sub-standard child care for our nation's most vulnerable and disadvantaged children." Further, this change is also consistent with the methods of administration of funds by the Department under the American Rescue Plan Act, because subsidy funds are public dollars that should not be paid to providers who are not meeting baseline health and safety requirements. With respect to any lost enrollments, the Department is clarifying that the cost is speculative and varies depending on the numbers of enrolled children who are receiving subsidized child care services. Importantly, the fiscal impacts due to lost enrollments are the result of the facility's failure to comply with the Department's licensure regulations and not this final-form regulation.

Private-pay parents and caretakers may decide to continue to enroll their children at these providers, but because public funds are used to support families who receive subsidized child care, the Department must limit the circumstances under which it uses these funds to pay providers that do not meet basic health and safety requirements to ensure consistency with the requirements, purposes and goals of the CCDF.

Child care providers are also benefited by potentially ensuring a more stable and predictable income stream from the subsidized child care program because of the longer 12-month eligibility periods required by the CCDBG. The Department reiterates that the final-form regulation may benefit at least 83,000 children from as many as 49,000 families who receive subsidized child care services at the more than 7,000 total providers (regulated and relative). If enrollments return to pre-pandemic levels, as the Department anticipates, there may be as many as 105,000 children from as many as 61,000 families receiving care from as many as 8,200 total providers serving children who are receiving subsidized child care services. Of the total number of providers, whether at the current level or at pre-pandemic levels, there are approximately 5,100 regulated providers, ranging from independently-owned family child care homes to corporations that employ thousands of individuals. Of those regulated providers, over 3,600 out of the 5,100 regulated child care providers are considered small businesses. The providers that serve families receiving subsidized child care will also benefit when families maintain eligibility for no less than 12 months because their enrollments will remain stable. Child care providers will also be better able to plan for staffing issues and may experience greater financial stability with more predictable income. Further, child care providers are benefited because the final-form rulemaking restricts the prohibition on eligibility to owners and not providers, although the final-form requirement has been required through policy for several years.

Employers that depend on working parents from these families will benefit because their employees will have more stable care for their children for at least 12 months, and so they will be able to get to work reliably and are likely to be more productive.

The final-form regulation may cause an increase to the waiting list for subsidized child care. While families in the long term may have to wait longer to receive help paying for child care, once the funding is available, these families will remain eligible for longer periods of time, and so their children will have a more stable child care experience, which increases the chances for success in that these children will enjoy better outcomes and improved levels of school readiness.

(16) List the persons, groups or entities, including small businesses, that will be required to comply with the regulation. Approximate the number that will be required to comply.

All families that apply and are determined eligible for subsidized child care will be required to comply with the regulation. There may be as many as 49,000 families, representing as many as 83,000 children, that receive funding for subsidized child care, from as many as 7,000 total providers (regulated and relative

providers). Of the 7,000 total providers, 5,100 are regulated providers, ranging from independently-owned family child care homes to corporations that employ thousands of individuals. There are over 3,600 out of the 5,100 regulated child care providers serving children who are receiving subsidized child care services in the Commonwealth that qualify as small businesses.

Likewise, the 19 Early Learning Resource Center offices that serve as the eligibility agency across the Commonwealth will need to comply with the new regulation.

(17) Identify the financial, economic and social impact of the regulation on individuals, small businesses, businesses and labor communities and other public and private organizations. Evaluate the benefits expected as a result of the regulation.

As stated above in the response under number (15), once a family receives subsidized child care, the family may remain eligible for a longer time and experience increased stability in the child's early care and education program. In turn, the lengthened eligibility periods may stabilize enrollments for some providers. Meanwhile, certain providers may be impacted by potentially lost additional revenues from the removal of § 3042.14(d), which permitted providers to charge parents or caretakers the difference between the private rate and the Department's CCW payment rate. The removal of this provision has an estimated fiscal impact in the form of lost potential additional revenue to providers of approximately \$16.5 million annually in the aggregate. This estimate is based on survey data and assumes that over one-third of all regulated providers that have a private pay rate greater than the CCW payment rate do in fact charge subsidy families the difference, either in full or in part. The survey indicated that over 30% of regulated providers (over 25% for child care centers, over 40% of group child care homes, and nearly 50% of family child care homes) responded that CCW families typically pay the full difference, and that only approximately 7% of regulated providers (nearly 8% of child care centers, less than 5% of group child care homes, and over 7% of family child care homes) responded that CCW families typically pay more than the subsidy co-payment but less than the full difference. Apart from the estimate's assumption regarding the prevalence of charging the difference, the Department utilized 2019 CCW enrollments and provider pay rate available data to account for what regulated providers may experience in revenue lost if program enrollments increase back to pre-pandemic levels. The Department reiterates that at the time of final-form rulemaking, the regulation may benefit as many as 83,000 children, but that as enrollments return, may benefit as many as 105,000 children. As explained previously, to further assist providers, the Department has raised its reimbursement rates two times since the time of proposed rulemaking. As discussed in the preamble, to further assist providers, payment rates were increased effective March 1, 2021, and again on January 1, 2022. The Department reiterates that it is committed to continue to help stabilize and improve provider financial stability.

Although this change impacts certain providers who charge the difference between their private rate and the Department's payment rate, the Department balanced its decision because the lost potential additional revenue to the regulated community is converted into savings for families receiving subsidized child care who are paying the difference. The lowered annual maximum copayment rate results in the Department assuming a higher portion of the total cost; therefore, the provider receives more of the CCW reimbursement from the Department. This reduces the provider's risk of having to deal with a potentially higher level of delinquent copayment from families. These families will no longer be faced with the prospect of paying a disproportionately greater share of their income on child care costs compared to the national average, in contravention of the intent of the CCDF, and providers will receive more of the CCW reimbursement amounts more reliably and on time from the Department. Further, the impacts are substantially outweighed by the substantial and direct costs to the Department, this Commonwealth, and to families across the Commonwealth if the provision is not removed.

Next, the Department is codifying its existing policy regarding co-payment limitations under the final-form rulemaking. This existing 7% cap is an estimated annualized cost to the Commonwealth of approximately \$44.3 million. Funding has been requested for fiscal year 2023-2024. ARPA Discretionary Funds will cover the full cost of the change in State Fiscal Year (SFY) 23-24 and partially cover the cost in SFY 24-25, after which time CCDF funds or state funds, or both, will cover the full cost.

The Department is also making changes to ensure that the Department does not pay for subsidized child care services for children who are enrolled at a provider whose certificate of compliance has been revoked or refused for renewal. The changes help to ensure that scarce public dollars are not being paid to providers who cannot satisfy baseline health and safety requirements, as consistent with statements in the preamble to the federal CCDF regulation.

The Department reiterates that it will not allow a parent or caretaker who owns a certified child care facility to be paid subsidy dollars to care for their own child, with reference to the definition of "child care." The Department explained that the final-form subsection is narrowly tailored such that it pertains only to situations where a parent or caretaker is the owner of a certified child care facility. To the extent there is such an impact, the cost is outweighed by the fact that subsidy dollars are scarce, public funds, and so this final-form subsection prohibits only situations in which the owners of certified child care facilities are paid subsidy dollars to care for their own children.

There are valuable returns on investments with the new regulation that outweigh the potential costs. According to the Economic Report of the President (March 2014), investments in early childhood development will reap economic benefits now and in the future. Immediate benefits include increased parental earnings and employment. Future benefits come when children who experience high-quality early care and education opportunities are prepared for success in school and go on to earn higher wages as adults.

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

The benefits of ensuring families have safe, dependable child care that remains stable for 12 months outweighs the adverse effects of the increase to the waiting list.

The health and safety benefits of ensuring the children of families authorized for subsidy are not cared for in a facility whose certificate of compliance is being revoked or refused to renew outweighs the adverse effects on providers because as consistent with the CCDBG, scarce public funds should not be paid to facilities that do not satisfy basic health and safety requirements.

The benefits of ensuring families have continuous child care for at least 12 months, thereby allowing the parent to seek and obtain work, education or training, outweighs the adverse effects of the increase to the waiting list.

The final-form rulemaking also may stabilize the revenue of child care providers that receive subsidy payments because such providers could experience more predictable and reliable payments for services. Although the final-form rulemaking also prohibits parents or caretakers who own certified child care facilities from being paid subsidy dollars to care for their own children, the final-form rulemaking expands eligibility by not stating the requirement with reference to the operator but instead with reference to the ownership of the facility. In addition, any adverse impact is outweighed by the fact that subsidy dollars are scarce, public funds which should not be utilized to pay for providers to care for their own children.

Finally, any lost potential additional revenue to the regulated community resulting from the removal of 3042.14(d) is balanced against the impact to families receiving subsidized child care. Under the final-form rulemaking, the lost potential additional revenue to the regulated community is converted into savings for families receiving subsidized child care, who will no longer be faced with the prospect of paying a disproportionately greater share of their income on child care costs, which is in contravention of the intent of the CCDF. Such lost potential additional revenue to providers who are charging the difference between the CCW payment rate and the private pay rate is therefore outweighed by the savings to families who are paying the difference and by the substantial and direct costs to the Department, this Commonwealth, and to families across the Commonwealth if the provision in § 3042.14(d) is not removed.

The Department reiterates the lowered annual maximum copayment rate results in the Department assuming a higher portion of the total cost; therefore, the provider receives more of the CCW reimbursement from the Department. This reduces the provider's risk of having to deal with a potentially higher level of delinquent copayment from families.

Meanwhile, the Department is committed to continuing the work toward ensuring the base payment rate provides equal access to child care for low-income families. Furthermore, the Department notes that providers who wish to provide higher quality child care through the Keystone STARS program are eligible for additional tiered reimbursement. The Department notes that any costs of the change are substantially outweighed by the benefits enjoyed by families who will no longer be faced with paying a greater share of their income on child care compared to the national average. The Department reiterates that there have been rate increases two times during the time of preparing this final-form rulemaking that have been made possible through funds from the American Rescue Plan Act of 2021. In addition, a total of \$121.9 million is being used over 4 fiscal years to support reduced family co-payments for the subsidized child care program. Effective January 1, 2022, the co-payments were reduced consistent with the federal recommendations. Funding has already been requested for fiscal year 2023-2024 to ensure these reduced co-payments are consistent with federal recommendations and do not present undue fiscal burdens to the Commonwealth.

Similarly, the Department is codifying its existing policy regarding co-payment limitations under the final-form rulemaking. This existing 7% cap is an estimated annualized cost to the Commonwealth of approximately \$44.3 million. Funding has already been requested for secured and allocated to ensure these reduced co-payments are consistent with federal recommendations and do not present undue fiscal burdens to the Commonwealth. Further, the funding is projected for allocation for fiscal years 2021-2024. ARPA Discretionary Funds will cover the full cost of the change in State Fiscal Year (SFY) 23-24 and partially cover the cost in SFY 24-25, after which time CCDF funds or state funds, or both, will cover the full cost.

The combination of the above factors and the previous allowance for a provider to charge a parent or caretaker the difference between the CCW payment rate and the provider's published payment rate, all necessitate the removal of 3042.14(d) because the end result of the combination renders the continued allowance of the requirement fundamentally contrary to CCDF requirements relating to affordability and equal access. Simply put, if the proposed § 3042.14(d) were to remain in this final-form rulemaking, the Department would not be able to demonstrate how permitting the charges under § 3042.14(d) promotes affordability and equal access, as required under the CCDF. See 45 CFR § 98.45 (relating to equal access).

(19) 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. Explain how the dollar estimates were derived.

With reference to the removal of § 3042.14(d), the estimate of lost potential additional revenue to the regulated community that charges the difference between the CCW payment rate and the rate charged to private pay families is estimated at approximately \$16.5 million. This estimate assumes that over one-third of all regulated providers that have a private pay rate greater than the CCW payment rate do in fact charge subsidy families the difference, either in full or in part. The Department notes that at the time of final-form rulemaking, the regulation may benefit as many as 83,000 children, but that as enrollments return, may benefit as many as 105,000 children. As explained previously, to further assist providers, the Department has raised its reimbursement rates two times since the time of proposed rulemaking. The Department reiterates that it is committed to continue to help stabilize and improve provider financial stability. The Department reiterates that the estimated amount also represents the amount of savings for families who will no longer be faced with the prospect of paying a disproportionately greater share of their income on child care costs compared to the national average, in contravention of the intent of the CCDF. Although the final-form rulemaking may result in a fiscal impact to the providers of subsidized child care who charge the difference between their private rate and the Department's CCW payment rate, any such impact is offset because the lost potential additional revenue to the regulated community is converted into savings for families receiving subsidized child care. The Department reiterates that lowered annual maximum copayment rate results in the Department assuming a higher portion of the total cost; therefore, the provider receives more of the CCW reimbursement from the Department. This reduces the provider's risk of having to deal with a potentially higher level of delinquent copayment from families.

To adequately project the estimated lost potential additional revenue some programs may incur from the removal of § 3042.14(d), the Department utilized pre-pandemic provider-level, private-pay tuition data and December 2019 CCW enrollments. The Department then utilized the CCW base rates instituted in January 2022 and the current Keystone STARS tiered-reimbursement rates and designations. The Department is clarifying that data from the 2022 MRS was not complete at the time of final-form rulemaking.

The MRS is conducted by the Department on a triannual basis as a requirement to participate in the CCDBG. The survey is used to inform CCW base rate setting to ensure equitable child care access for low-income families utilizing the program. December 2019 CCW enrollment data was then synced with the providers included in the 2019 MRS. Next, the enrollment data was demarcated by care level (i.e. infant, young toddler, preschool) as well as enrollment status (i.e. part-time vs full-time). If a child enrolled in CCW had both part-time and full-time care in their schedule, the enrollment was split equally between both categories. The end result was a list of all providers from the 2019 MRS (including their private pay rates by care level and enrollment status) and their CCW enrollments for December 2019.

Next, the Department imported the provider's Keystone STARS designation as of February 2022, or maintained the provider's Keystone STARS designation from the MRS if they were no longer operating. The corresponding regional maximum child care allowance (MCCA) base rates instituted in January 2022 along with the Keystone STARS tiered-reimbursement rates for each provider were then incorporated. The Department clarified that MCCA base rates are often used interchangeably with CCW base rates. The MCCA base rates were then added to any applicable Keystone STARS tiered-reimbursement rate to determine the final reimbursement rate to the provider for a particular care level and enrollment status. The final reimbursement rate was then compared to the private pay rate recorded in the 2019 MRS. If the private pay rate was more than the final reimbursement rate, the difference was multiplied by the number of December 2019 CCW enrollments for that particular care level and enrollment status. For example, if the difference between the final reimbursement and the provider's private pay rate was \$3.00, and the provider

had 2 full-time young toddler CCW enrollments, the result would be $\$3.00 \times 2 = \6.00 . That dollar amount was then multiplied by '260' to account for the number of working days in a calendar year and the maximum number of days a low-income family could claim annually (*i.e.* $\$6.00 \times 260 = \$1,560$).

The described process was completed for each provider, and approximately \$16.5 million annually. However, this estimate is likely inflated due to the following factors:

- The number of current CCW enrollments remains lower than pre-pandemic levels. The Department chose to use pre-pandemic CCW enrollment data to align with the MRS data timeframe and account for the expected possibility that CCW enrollments may return to pre-pandemic levels in the near future.
- The Department assumed 260 days of care were needed for each CCW enrollment; however, to be eligible for the CCW program, adults in low-income families are only required to work or train a minimum of 20 hours per week. The actual number of days needed for care for each unique CCW enrollment could vary widely.

Regarding the changes under §§ 3042.12(b) and 3042.14(g) to prohibit payment of CCW funds to providers whose certificate of compliance has been revoked or refused for renewal, according to data regarding the numbers of revocations and refusals to renew issued during SFY 2021-2022, the change impacts on approximately 447 enrollments for a total estimated cost of approximately \$250,000 of potentially lost revenue for providers. The cost is substantially outweighed by the importance of ensuring that limited public funds are not paid to facilities that do not satisfy baseline health and safety requirements. Furthermore, and most importantly, the Department notes that any fiscal impacts due to lost enrollments are the result of a facility's failure to comply with the Department's licensure regulations and not this final-form regulation.

No new legal, accounting or consultant procedures are required.

(20) Provide a specific estimate of the costs and/or savings to the **local governments** associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.

There are no new costs or savings to local governments associated with compliance with this final-form regulation. No new legal, accounting or consultant procedures are required.

(21) Provide a specific estimate of the costs and/or savings to the **state government** associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required. Explain how the dollar estimates were derived.

With reference to codifying the current co-payment limits under § 3042.98(a) (relating to co-payment determination), the estimated annualized cost to the Commonwealth so that co-payments do not exceed 7% of the family's annual income is \$44.3 million. This estimate was calculated by comparing the co-payments paid by families enrolled in subsidized child care using the previous methodology, which included 40 income brackets with co-payments ranging from 3% to 11% of income, to the co-payments that would be paid by those families using the now-implemented reduced co-payment methodology, which includes 40 income brackets with co-payments ranging from 3% to 7% of income. The difference was annualized and projected to reflect anticipated increased enrollments in subsidized child care to 98,200 children. The increase in cost is substantially outweighed by the benefits enjoyed by families who will no

longer pay a disproportionately higher share of income on child care costs than reflects the national average. Finally, the Department notes that Pennsylvania was awarded \$452 million in discretionary funding from the American Rescue Plan Act of 2021, and that the Administration for Children and Families, Office of Child Care provided to the Department recommendations on the use of those funds. Consistent with the recommendations, a total of \$121.9 million is being used over 4 fiscal years to support reduced family co-payments for the subsidized child care program. Effective January 1, 2022, the co-payments have been reduced consistent with the federal recommendations, and so funding has already been secured and allocated through 9/30/2024 to ensure these reduced co-payments are consistent with federal recommendations and do not present undue fiscal burdens to the Commonwealth. The Department notes that the stated cost of \$44.3 million is the cost to codify this policy change in regulations. Further, the funding is projected for allocation for fiscal years 2021-2024. ARPA Discretionary Funds will cover the full cost of the change in SFY 23-24 and partially cover the cost in SFY 24-25, after which time CCDF funds or state funds, or both, will cover the full cost. The Department reiterates the increased subsidy base rates and notes those increases are funded through the same ARPA program.

No new legal, accounting or consultant procedures are required.

(22) For each of the groups and entities identified in items (19)-(21) above, 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.

The eligibility agency will collect only the verification that is necessary to make an eligibility determination. To comply with the CCDBG regulation (45 CFR 98.20(a)(2)), a parent or caretaker will be required to submit verification during the family's 12-month eligibility period only when the family's annual income exceeds 85% of the SMI or when circumstances change that might lower the family's co-payment or increase the family's subsidy. Therefore, this final-form rulemaking simplifies the regulatory requirements as they relate to application, verification, and the reporting of changes; all of which are consistent with CCDBG requirements.

Regarding the lost potential additional revenue to the regulated community that charges the difference between the CCW payment rate and the rate charged to private pay families, no new legal, accounting or consulting procedures are required. The Department reiterates that the lost potential additional revenue is converted into savings for families receiving subsidized child care, and that this change has been in effect through policy for several years, and so the fiscal impact has already been occurring and is not new.

Regarding the increase in costs to the Commonwealth for the change in co-payment percentages, no new legal, accounting or consulting procedures are required. The Department reiterates that the increase in costs is substantially outweighed by the benefits enjoyed by families who will no longer pay a disproportionately higher share of income on child care than reflects the national average.

Local governments will see no changes as a result of implementation of these changes.

(22a) Are forms required for implementation of the regulation?

The Department's current forms will be required for implementation of the final-form regulation.

(22b) If forms are required for implementation of the regulation, **attach copies of the forms here**. If your agency uses electronic forms, provide links to each form or a detailed description of the information

required to be reported. Failure to attach forms, provide links, or provide a detailed description of the information to be reported will constitute a faulty delivery of the regulation.

The following forms are attached:

Subsidized Child Care Application

Redetermination Letter and Application

Employment Verification Form

Self-employment Verification Form

IRS Form 4070 and 4070A

Domestic Violence Verification Form

Homelessness Verification Form

Notice Confirming Voluntary Withdrawal § 3042.156.

Notice of Eligibility § 3042.153.

Notice of Ineligibility § 3042.154.

Notice of Adverse Action § 3042.155.

Notice Confirming a Change in Benefits § 3042.157.

Notice Confirming a Change in Co-payment Increase § 3042.158.

Notice Confirming a Change in Co-payment Decrease § 3042.158.

Absence Warning Letter

Application Transfer Letter

Enrollment Summary Form

Funds Available Letter

Funds Not Available Letter

Medical Assessment Form

Waiting List Funds Available Letter

Glenn Gelligan

03/02/2023

(23) 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	N/A	N/A	N/A	N/A	N/A	N/A
Local Government	N/A	N/A	N/A	N/A	N/A	N/A
State Government	N/A	N/A	N/A	N/A	N/A	N/A
Total Savings	N/A	N/A	N/A	N/A	N/A	N/A
COSTS:	N/A	N/A	N/A	N/A	N/A	N/A
Regulated Community	N/A	N/A	N/A	N/A	N/A	N/A
Local Government	N/A	N/A	N/A	N/A	N/A	N/A
State Government	\$0	\$0	\$33.2 million	\$44.3 million	\$44.3 million	\$44.3 million
Total Costs	\$0	\$0	\$33.2 million	\$44.3 million	\$44.3 million	\$44.3 million
REVENUE LOSSES:	N/A	N/A	N/A	N/A	N/A	N/A
Regulated Community	\$0	\$16.5 million	\$16.5 million	\$16.5 million	\$16.5 million	\$16.5 million
Local Government	N/A	N/A	N/A	N/A	N/A	N/A
State Government	N/A	N/A	N/A	N/A	N/A	N/A
Total Revenue Losses	\$0	\$16.5 million	\$16.5 million	\$16.5 million	\$16.5 million	\$16.5 million

1. ARPA Discretionary Funds will support reduced co-payments from 1/1/2022 through 9/30/2024.
2. Beginning 10/1/2024, increased costs to the state will be allocated based on enrollments.
3. Regarding the prohibition on charging the difference between the Child Care Works payment rate and the private pay rate, the Department anticipates an aggregate fiscal impact of \$16.5 million to providers of subsidized child care. The lowered annual maximum copayment rate results in the Department assuming a higher portion of the total cost; therefore, the provider receives more of the CCW reimbursement from the Department. This reduces the provider's risk of having to deal with a potentially higher level of delinquent copayment from families.

(23a) Provide the past three-year expenditure history for programs affected by the regulation.

***Note: The large changes in the FY-2 and FY-1 columns for TANFBG – Child Care Asst – (Federal) and CCDFBG – Child Care Asst – (Federal) below were due to CCDFBG funding was maxed out requiring OCDEL to fund the former TANF children partially with TANF funds and partially with CCDFBG funds.**

Program	FY -3	FY -2	FY -1	Current FY
Child Care Service – (State)	\$156,332,000	\$156,482,000	\$156,482,000	\$181,482,000
SSBG – Child Care Service– (Federal)	\$30,977,000	\$30,977,000	\$30,977,000	\$30,977,000
CCDFBG – Child Care Service – (Federal)	\$392,812,000	\$431,136,000	\$422,961,000	\$512,121,000
CCDFBG – School Age – (Federal)	\$1,260,000	\$1,260,000	\$1,260,000	\$0
Child Care Assistance – (State)	\$104,569,000	\$109,885,000	\$109,885,000	\$109,885,000

Gloria Gelliza

03/02/2023

TANFBG – Child Care Asst – (Federal)	\$152,214,000	\$230,306,000	\$220,820,000	\$360,696,000
CCDFBG – Child Care Asst – (Federal)	\$85,356,000	\$38,710,000	\$47,614,000	\$57,264,000

(24) For any regulation that may have an adverse impact on small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012), provide an economic impact statement that includes the following:

- (a) An identification and estimate of the number of small businesses subject to the regulation.
 - (b) The projected reporting, recordkeeping and other administrative costs required for compliance with the final-form regulation, including the type of professional skills necessary for preparation of the report or record.
 - (c) A statement of probable effect on impacted small businesses.
 - (d) A description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation.
-
- (a) The final-form regulation may benefit at least 83,000 children from as many as 49,000 families who receive subsidized child care services at the more than 7,000 total providers. If enrollments return to pre-pandemic levels, there may be as many as 105,000 children from as many as 61,000 families receiving care from as many as 8,200 total providers (regulated and relative) serving children who are receiving subsidized child care services. Of the total number of providers, whether at the current level or at pre-pandemic levels, there are approximately 5,100 regulated providers serving CCW families, ranging from independently-owned family child care homes to corporations that employ thousands of individuals. There are over 3,600 out of the 5,100 regulated child care providers serving children who are receiving subsidized child care services in the Commonwealth that qualify as small businesses.
 - (b) There are no new reporting, recordkeeping or other administrative costs required for compliance with the final-form regulation.
 - (c) Utilizing data from September 2022, there were approximately 5,100 regulated child care providers serving children receiving subsidized child care services, many of which were small businesses. After review of that total, the Department determined that over 3,600 out of the 5,100 regulated child care providers were small business providers that met the definition in Act 76 of 2012, which states that to be considered a small business, child care facilities must have annual total revenue that is less than \$9.5 million. The estimate of lost potential additional revenue to the regulated community that charges the difference between the CCW payment rate and the rate charged to private pay families is estimated at approximately \$16.5 million. This estimate assumes approximately one-third of regulated providers serving CCW families have a private pay rate greater than the subsidy payment rate and do in fact charge subsidy families the difference, either in whole or in part.
 - (d) The Department considered maintaining the provision to permit providers to charge the difference between the private payment rate and the CCW payment rate. After review of the provision with the federal Office of Child Care, the Department determined that the provision ran contrary to the intent of the CCDF, and so the provision was removed. The Department continues to work to increase the reimbursement rates to providers.

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

The final-form regulation allows families who are experiencing homelessness to request a waiver of certain eligibility and verification requirements during a period of presumptive eligibility. The period provides these families with additional time to provide the required documentation for eligibility. The waiver also permits families experiencing homelessness to substitute job search activities for the work requirements at application or redetermination.

The final-form regulation allows families who are experiencing domestic and other violence to request a waiver of certain eligibility and verification requirements during a period of presumptive eligibility. The period provides these families with additional time to provide the required documentation for eligibility.

(26) 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.

The Department considered maintaining the provision to permit providers to charge the difference between the private payment rate and the CCW payment rate, but after review of the provision with the federal Office of Child Care, the Department determined the provision ran contrary to the intent of the CCDF, and so the provision was removed. The Department reiterates its above explanation that if the proposed § 3042.14(d) were to remain in this final-form rulemaking, the Department would not be able to demonstrate how permitting the provision to remain promotes affordability and equal access, as required by the CCDF under 45 CFR § 98.45 (relating to equal access). This regulation is the least burdensome alternative as it relates to redetermination every 12 months, as the longer periods will reduce paperwork requirements for both the eligibility agencies and parents and caretakers.

(27) In conducting a regulatory flexibility analysis, explain whether regulatory methods were considered that will minimize any adverse impact on small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012), including:

- a) The establishment of less stringent compliance or reporting requirements for small businesses;
- b) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
- c) The consolidation or simplification of compliance or reporting requirements for small businesses;
- d) The establishment of performance standards for small businesses to replace design or operational standards required in the regulation; and
- e) The exemption of small businesses from all or any part of the requirements contained in the regulation.

The Department does not anticipate any adverse impacts on small businesses, with the exceptions noted in section (24) above. The Department reiterates there were approximately 5,100 regulated child care providers serving children receiving subsidized child care services, many of which were small businesses. After review of that total, the Department determined that over 3,600 out of the 5,100 regulated child care providers were small business providers that met the definition in Act 76 of 2012, which states that to be considered a small business, child care facilities must have annual total revenue that is less than \$9.5 million. Since more than a significant majority of providers are small business, there are not exceptions related to reporting, deadlines or performance. Although various paperwork and reporting requirements are being maintained under new Chapter 3042, the final-form rulemaking does, however, reduce paperwork and reporting requirements due to the new 12-month eligibility period. Further, the 12-month eligibility will

allow more continuity for both families and providers. Lastly, the final-form rulemaking authorizes self-certification in certain instances to relieve paperwork burdens and remove barriers.

(28) If data is the basis for this regulation, please provide a description of the data, explain in detail how the data was obtained, and how it meets the acceptability standard for empirical, replicable and testable data that is supported by documentation, statistics, reports, studies or research. Please submit data or supporting materials with the regulatory package. If the material exceeds 50 pages, please provide it in a searchable electronic format or provide a list of citations and internet links that, where possible, can be accessed in a searchable format in lieu of the actual material. If other data was considered but not used, please explain why that data was determined not to be acceptable.

Data was not the basis for this final-form regulation, but many studies support it. See <https://nwlc.org/wp-content/uploads/2021/02/January-Jobs-Day-FS.pdf>; Also see Burgess, K., Chien, N., and Enchautegui, M. (2016). "The Effects of Child Care Subsidies on Maternal Labor Force Participation in the United States." The Department of Health and Human Services. Retrieved from https://www.urban.org/sites/default/files/publication/96376/improving_child_care_subsidy_programs.pdf; Also see Adams, G. and Rohacek, M. (2010). "Child Care Instability: Definitions, Context, and Policy Implications." The Urban Institute, page 6. Retrieved from <https://www.urban.org/research/publication/child-care-instability-definitions-context-and-policy-implications>; Also see <https://www.childcareservices.org/2019/02/07/the-link-between-child-care-and-the-economy/#:~:text=When%20parents%20can%20access%20child%20care%2C%20they%20are,result%20in%20higher%20earnings%20over%20an%20individual's%20lifetime>. Further, the National Academies of Sciences evaluated and integrated the research on early childhood development and the role of early experiences. An overarching conclusion was that early experiences matter for healthy child development. Nurturing and stimulating care given in the early years of life builds optimal brain architecture that allows children to maximize their enormous potential for learning. Furthermore, decades of research shows that the experiences infants and toddlers have in their earliest years have long-term impacts on human development. Studies have shown that access to reliable child care contributes to increased employment and earnings for parents. Phillips, D. Shonkoff, J. Ebrary, Inc. (2000). *From Neurons to Neighborhoods: The Science of Early Childhood Development*. Washington, D.C.: National Academies Press.

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

- A. The length of the public comment period: 30 days
- B. The date or dates on which any public meetings or hearings will be held: None
- C. The expected date of delivery of the final-form regulation: March 2023
- D. The expected effective date of the final-form regulation: Effective upon publication as final-form or on July 1, 2023, whichever is later.

E. The expected date by which compliance with the final-form regulation will be required:

Effective upon publication as final-form or on July 1, 2023, whichever is later.

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

Permits, licenses or other approvals are not required.

(30) Describe the plan developed for evaluating the continuing effectiveness of the regulations after its implementation.

The Department will continue ongoing monitoring of the eligibility agencies to determine the effectiveness of the regulation.



pennsylvania
DEPARTMENT OF HUMAN SERVICES

Pennsylvania Application for Subsidized Child Care

Child Care WORKS

If you want help in paying your child care costs, you must complete this application. This is an application for subsidized child care. This application is also available in Spanish. If you need help with reading and/or completing this application, please contact your local ELRC agency.

如果您需要钱用于托儿服务,您必须填写此申请。这是一个育儿补充应用程序。此应用程序也提供西班牙语。如果您需要帮助阅读或完成本申请,请联系您当地的ELRC组织。

បើលោកអ្នកត្រូវការជំនួយបង់ថ្លៃមើលកូន លោកអ្នកត្រូវតែបំពេញក្រដាសដាក់ពាក្យសុំនេះ។ នេះគឺជាក្រដាសដាក់ពាក្យសុំប្រាក់ជំនួយថ្លៃមើលកូន។ បើលោកអ្នក/ការជំនួយដើម្បីអាននិង ឬបំពេញក្រដាសដាក់ពាក្យសុំនេះ សូមទាក់ទងអង្គការ ELRC ដែលនៅតាមតំបន់លោកអ្នក។

Если вам требуется помощь в оплате детского сада для вашего ребенка, вы должны заполнить данную форму. Эта форма - заявление на субсидированное обслуживание вашего ребенка в детском саду. Если вам нужна помощь в чтении и/или заполнении данной формы, обращайтесь в бюро ELRC по месту жительства.

Nếu quý vị muốn được trợ cấp để trả chi phí trông nom săn sóc con em quý vị, quý vị cần điền chi tiết vào mẫu đơn này. Đây là mẫu đơn xin hưởng trợ cấp trông nom săn sóc trẻ em. Nếu quý vị cần trợ giúp để đọc/hay điền đơn này, xin liên hệ cơ quan ELRC nơi quý vị cư ngụ.

Si necesita ayuda para pagar los gastos de guardería de su hijo, complete este formulario. Es una solicitud para recibir cuidado infantil subvencionado. Si necesita ayuda para leer o completar esta solicitud, comuníquese con la oficina de ELRC de su localidad.

Subsidized Child Care

The subsidized child care program helps low-income families pay their child care cost. You must live in Pennsylvania; apply in the county where you live and have a child or children who need child care while you are working or attending an education or training program.

By completing this application, the Early Learning Resource Center (ELRC) will be able to determine if you and your family are eligible to receive subsidized funding to help pay for your child care services.

You may submit your completed application by mail, fax or hand-deliver to the local ELRC. If you wish, you may complete a subsidized child care application on-line at www.compass.state.pa.us.

Note: After you submit your completed application, you will be asked to show documents to verify your information. The ELRC will let you know the exact information/documents you need and the time period you will have to submit all required information.

Here are some of the basic requirements:

Residency	Do I have to live in Pennsylvania?	YES
Employment/Training or Education Program	Do I have to work or train a certain number of hours per week?	YES - At least 20 hours per week, which can include 10 hours of work and 10 hours of training.
	If I am a teen parent, do I have to be enrolled in school?	If you are a teen parent, you must be enrolled in school full-time.
Income	Are there income guidelines?	Yes - See the inserted chart.
Cost	Do I have to pay for child care services?	YES - The copay is based on your income and family size.

Income Guidelines: The Income Guidelines change every year based on the Federal Poverty Income Guidelines (FPIG). The inserted chart will show you the maximum amount of income by family size for subsidized child care. Some family expenses may be deductible.

If you are not sure you meet the income guidelines, please complete the application and we will let you know if you qualify.

How to complete this application: Please follow the instructions in each section and remember to sign and date the application affidavit on page 7 before you submit your application. If you need help completing this application, please contact the ELRC.

1

Tell us about you: Enter your first and last name, home address, telephone numbers and email address. Please check the box if you are experiencing homelessness, live in temporary housing, or in a shelter. If so, you can give us a location where we can send your information or you can pick it up from the ELRC.

Proof of address can be a lease, utility bill, a deed, a rental agreement, state photo ID, driver's license, voter's registration card, or mail that you have received showing your address.

Benefits Please check yes or no to answer the question if you receive benefits or have received benefits within the last six months such as TANF cash benefits, Supplemental Nutrition Assistance Program (SNAP) benefits, or housing assistance.

What is your first name?		What is your last name?		Middle initial:
What is your address?				Apt number:
City:	State:	ZIP code:	On what date did you become a resident of PA?	
<input type="checkbox"/> If you are experiencing homelessness, live in a shelter, transitional housing, or share housing because you cannot afford your own housing, check this box.			How can we get information to you if you do not have a permanent address?	
What is the primary language spoken in your home? _____ What is the primary language you read in your home? _____ What language would you like to receive information in? _____			What is your telephone number? Cell: _____ Home: _____ Work: _____	
What is your military status? <input type="checkbox"/> Non-veteran <input type="checkbox"/> Veteran <input type="checkbox"/> Active <input type="checkbox"/> National Guard/Reserves			Where should we call you if we have any questions? <input type="checkbox"/> Cell <input type="checkbox"/> Home <input type="checkbox"/> Work	
What is your email address?			What is the best time to call you?	
Benefits: <input type="checkbox"/> Yes <input type="checkbox"/> No Do you currently receive TANF cash assistance? <input type="checkbox"/> Yes <input type="checkbox"/> No Have you received TANF cash within the last six months? If yes, where? <input type="checkbox"/> PA <input type="checkbox"/> Other state: _____ <input type="checkbox"/> Yes <input type="checkbox"/> No Do you currently receive SNAP? <input type="checkbox"/> Yes <input type="checkbox"/> No Do you receive Medical Assistance? <input type="checkbox"/> Yes <input type="checkbox"/> No Do you receive CHIP? <input type="checkbox"/> Yes <input type="checkbox"/> No Do you currently receive housing assistance? <input type="checkbox"/> Yes <input type="checkbox"/> No Do you receive WIC?				

2 List all members of your household and their relationship to you. Enter the first and last name including the middle initial of all members of your household for whom you are responsible. Enter their date of birth, their sex M (male) or F (female). If you list your Social Security number (SSN), it will only be used to identify your case. What is the household member's relationship to you? Is this family member related to the second adult? Check the race and ethnicity of each family member; you may select all that apply. (Turn to page 10 to add more names.)

Proof of family composition can include a birth certificate, a custody order, a medical record or a written statement from a physician, or a school record. If you are a foster parent, you must submit a letter from the county Department of Human Service (DHS) or Children Youth and Families (CYF) that approves the foster child to be in care.

FIRST NAME, LAST NAME, MIDDLE INITIAL	DATE OF BIRTH (MM/DD/YY)	SEX (M/F)	OPTIONAL SSN	HOW IS THIS PERSON RELATED TO YOU?	IS THIS PERSON RELATED TO THE SECOND ADULT?	ETHNICITY (CHECK ONLY ONE)
You						<input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic
<input type="checkbox"/> Black or African American	<input type="checkbox"/> American Indian/Alaskan Native	<input type="checkbox"/> Asian	<input type="checkbox"/> Native Hawaiian/Pacific Islander	<input type="checkbox"/> White	<input type="checkbox"/> Unknown	<input type="checkbox"/> Other
Spouse/Parent of child needing care						<input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic
<input type="checkbox"/> Black or African American	<input type="checkbox"/> American Indian/Alaskan Native	<input type="checkbox"/> Asian	<input type="checkbox"/> Native Hawaiian/Pacific Islander	<input type="checkbox"/> White	<input type="checkbox"/> Unknown	<input type="checkbox"/> Other
Child						<input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic
<input type="checkbox"/> Black or African American	<input type="checkbox"/> American Indian/Alaskan Native	<input type="checkbox"/> Asian	<input type="checkbox"/> Native Hawaiian/Pacific Islander	<input type="checkbox"/> White	<input type="checkbox"/> Unknown	<input type="checkbox"/> Other
Child						<input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic
<input type="checkbox"/> Black or African American	<input type="checkbox"/> American Indian/Alaskan Native	<input type="checkbox"/> Asian	<input type="checkbox"/> Native Hawaiian/Pacific Islander	<input type="checkbox"/> White	<input type="checkbox"/> Unknown	<input type="checkbox"/> Other
Child						<input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic
<input type="checkbox"/> Black or African American	<input type="checkbox"/> American Indian/Alaskan Native	<input type="checkbox"/> Asian	<input type="checkbox"/> Native Hawaiian/Pacific Islander	<input type="checkbox"/> White	<input type="checkbox"/> Unknown	<input type="checkbox"/> Other
Child						<input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic
<input type="checkbox"/> Black or African American	<input type="checkbox"/> American Indian/Alaskan Native	<input type="checkbox"/> Asian	<input type="checkbox"/> Native Hawaiian/Pacific Islander	<input type="checkbox"/> White	<input type="checkbox"/> Unknown	<input type="checkbox"/> Other
Child						<input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic
<input type="checkbox"/> Black or African American	<input type="checkbox"/> American Indian/Alaskan Native	<input type="checkbox"/> Asian	<input type="checkbox"/> Native Hawaiian/Pacific Islander	<input type="checkbox"/> White	<input type="checkbox"/> Unknown	<input type="checkbox"/> Other
Child						<input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic
<input type="checkbox"/> Black or African American	<input type="checkbox"/> American Indian/Alaskan Native	<input type="checkbox"/> Asian	<input type="checkbox"/> Native Hawaiian/Pacific Islander	<input type="checkbox"/> White	<input type="checkbox"/> Unknown	<input type="checkbox"/> Other
Child						<input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic

3 Tell us about your children who need child care services. List the name of your child or children living in your home who need child care or early learning services. (Turn to page 10 to add more children.)

Check the box Yes or No to answer if your child is a U.S. Citizen or in the United States lawfully and admitted for permanent residence. Check all days that you need child care services. The ELRC will discuss your child care schedule with you at your face-to-face meeting.

List name of child needing service:	Is the child a U.S. Citizen or in the U.S lawfully?	Check the days that your child needs child care services.						
		The ELRC will discuss your child care schedule to make sure you receive the services you need						
1.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Monday	<input type="checkbox"/> Tuesday	<input type="checkbox"/> Wednesday	<input type="checkbox"/> Thursday	<input type="checkbox"/> Friday	<input type="checkbox"/> Saturday	<input type="checkbox"/> Sunday
2.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Monday	<input type="checkbox"/> Tuesday	<input type="checkbox"/> Wednesday	<input type="checkbox"/> Thursday	<input type="checkbox"/> Friday	<input type="checkbox"/> Saturday	<input type="checkbox"/> Sunday
3.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Monday	<input type="checkbox"/> Tuesday	<input type="checkbox"/> Wednesday	<input type="checkbox"/> Thursday	<input type="checkbox"/> Friday	<input type="checkbox"/> Saturday	<input type="checkbox"/> Sunday
4.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Monday	<input type="checkbox"/> Tuesday	<input type="checkbox"/> Wednesday	<input type="checkbox"/> Thursday	<input type="checkbox"/> Friday	<input type="checkbox"/> Saturday	<input type="checkbox"/> Sunday
5.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Monday	<input type="checkbox"/> Tuesday	<input type="checkbox"/> Wednesday	<input type="checkbox"/> Thursday	<input type="checkbox"/> Friday	<input type="checkbox"/> Saturday	<input type="checkbox"/> Sunday

Immunization Certificate:

I certify that my child(ren) listed below has/have received their age appropriate immunizations (shots):

I certify that my child(ren) listed below does/do NOT have age appropriate immunizations (shots) because of: Religious beliefs; or A medical condition of the child.

Parent Signature: _____

Date: _____

Additional Information About Your Child: Please check all boxes that may tell us about your child: If your child is learning English as a second language, transfers to different schools because the parent or guardian is a migrant worker, if there is an absent parent who may be incarcerated or deceased, or if the child was referred by a health/mental health service.

Yes No Are any of the above children learning English as a second language?
If yes, what is the child's name? _____

Yes No Have any of the above children attended a Head Start or Early Head Start program?
If yes, what is the child's name? _____

Yes No Have any of the above children been referred to PA Pre-K Counts from another health or mental health agency?
If yes, what is the child's name? _____

Yes No Have any of the above children moved from one school district to another because their parent or guardian is a migrant worker?
If yes, what is the child's name? _____

Yes No If any of the above children have an absent parent, is the parent: Deceased In the military Incarcerated (prison) Not living in the same household Whereabouts unknown
If yes, what is the child's name? _____

4 Employment/Education/Training: Check Yes or No if you are employed or enrolled in an education or training program. Please check Yes or No if you need child care while you are working or while you are attending the education or training program. You must submit proof of the days and hours you are working or enrolled in an education or training program.

Proof of employment/education or training must include a letter or a form (see enclosed) that shows the name of your employer, school or training program. It should state your actual days and daily schedule (such as Monday - Friday 9 AM - 5 PM) and your total number of hours weekly. If you are employed, the form should also include how often you are paid: weekly, bi-weekly (26 pays), twice a month (24 pays), monthly or annually. The letter or form must be signed and dated by your employer or authorized school representative.

EMPLOYMENT	Is this person employed?	Is this person self-employed?	Place of employment or self-employment:	Does this person need child care while working?
Yourself	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No
Spouse/Live-In Parent of Child	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No
TRAINING	Is this person in a training program?	Place of training:		Does this person need child care while attending the training program?
Yourself	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Yes <input type="checkbox"/> No
Spouse/Live-In Parent of Child	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Yes <input type="checkbox"/> No

EDUCATION - If you are a teen parent:

Yes No Are you enrolled in elementary, middle school, high school, or a GED program?
 Yes No Do you need child care while you are attending your education program?

5 Income and Expenses: Answer the question Yes or No if you or someone in your home receives income (do not list the earned income of minor children). Check all the boxes of income types that are received. If income you receive is not listed, write the source in Other. List the name, type of income, amount, and how often the income is received.

Proof of income may include pay stubs showing your gross earnings, an employer statement showing gross earnings and how often you are paid, a letter from the government agency for SSI or Social Security Benefits, unemployment compensation letter, child support or alimony letter showing the amount and how often it is paid and if you are self-employed, you may submit your tax returns for the previous year and all supporting documentation.

Proof of expenses paid out may include medical bills for the last three month period, a court-order for child support payments paid for a child not living with you or alimony payments.

Yes No Does anyone in your home receive income? If Yes, check all that apply:

Wages SSI Rent Unemployment compensation Child support
 Social Security Room and Board Workers Compensation Spousal support Commission
 Alimony Union pay Interest Other: _____

NAME OF PERSON WHO RECEIVES INCOME:	TYPE OF INCOME:	HOW OFTEN DO YOU RECEIVE INCOME?	HOW MUCH INCOME DO YOU RECEIVE?	DATE LAST RECEIVED:

Yes No Do you or your spouse/live-in parent of the child needing care have medical expenses that were not paid by insurance within the past 90 days, which will continue for the next six months? Proof of medical expenses may include doctor bills, hospital bills, dental bills, health care premiums, bills for medication, prosthetic devices, and/or bills for durable medical equipment.

Yes No Do you or your spouse/live-in parent of the child needing care, pay child support or alimony to someone who does not live with you? If YES, attach proof of child support or alimony you are ordered to pay.

Yes No **ASSETS:** Do you have assets over one-million dollars?

Voter Registration Preference Question (Optional)

If you are not registered to vote where you live now, would you like to apply to register to vote here today?

Yes No OR I am already registered to vote where I live now.

IF YOU DO NOT CHECK EITHER BOX, YOU WILL BE CONSIDERED TO HAVE DECIDED NOT TO REGISTER TO VOTE AT THIS TIME.

To register, you must:

1. Be at least 18 on the day of the next election.
2. Be a citizen of the United States for at least one month PRIOR TO THE NEXT ELECTION;
3. Reside in Pennsylvania and the voting district at least 30 days prior to the next election.

Applying to register or declining to register to vote will not affect the amount of assistance you will be provided by this agency.

If you would like help filling out the voter registration application form, we will help you. The decision whether to seek or accept help is yours. You may fill out the application form in private. Please contact the ELRC if you would like help. If you believe that someone has interfered with your right to register or to decline to register to vote, your right to privacy in deciding whether to register or in applying to register to vote, or your right to choose your own political party or other political preference, you may file a complaint with the Secretary of the Commonwealth, PA Department of State, Harrisburg, PA 17120. (Toll-free telephone number 1-877-VOTESPA.)

6 Permission to Share: Your information will be reviewed and a determination of subsidized eligibility will be made. However, if you are not eligible for subsidized child care, you may be eligible for another Pennsylvania early learning program such as Pre-K Counts, Head Start or Early Head Start.

We are asking your permission to share your application with another Pennsylvania early learning program such as Pre-K Counts, Head Start or Early Head Start if you are not eligible for subsidized child care.

By signing below, you are giving us permission to share your application and all documents you submitted with another early learning program that may meet the child care needs of you and your family.

We will discuss this with you before sharing your information.

- Yes** I give permission to the reviewer of this application to share my application and all documents I have submitted with one or more of the early learning programs to determine if I am eligible for their services.
- I understand that my information will be reviewed again and that the program will contact me in writing or by telephone to inform me of my status or if I need to submit additional information.
- No** I do not give permission to the reviewer of this application to share my application with other early learning programs.

Parent/Caretaker Signature: _____

Date: _____

Parent/Caretaker Signature: _____

Date: _____

7 Release of Information: By my signature below, I am giving the ELRC permission to contact reliable sources to verify information. This release is also permitting the ELRC to contact people on my behalf when they are unable to reach me.

I hereby authorize and request the disclosure to the Early Learning Resource Center (ELRC) to contact reliable sources for knowledge of information pertinent to verification of: identity; residence; employment; education and training activities; family size and composition; care and control of child(ren) residing with a grandparent, aunt or uncle; reasons for subsidy suspension; income; and any additional information pertinent to eligibility for the Subsidized Child Care Program for myself and/or those individuals on whose behalf subsidy benefits are paid. I understand that the information obtained will be used only for purposes directly related to the determination or eligibility for the Subsidized Child Care Program.

Parent/Caretaker Signature: _____

Date: _____

Parent/Caretaker Signature: _____

Date: _____

ELRC Representative Signature: _____

Date: _____

In the event I cannot be reached, I give the ELRC permission to contact the person(s) identified below:

NAME	TELEPHONE NUMBER	RELATIONSHIP TO YOU

The above names shall remain active until I contact the ELRC to remove them from my list of alternate contact names.

8 Affidavit: An affidavit is a sworn statement of fact. By signing this affidavit, you are saying that the information you entered in this form is true. The affidavit is the legal way to swear that your statements are fact. The parent or person applying for the early learning program should sign and date this application. Your signature validates the information you entered into the form.

I affirm that I have read or have had this application read to me in full and that I have received a written copy of my Rights and Responsibilities form on page 8. All information I have given is true, correct and complete to the best of my ability, knowledge and belief. I understand that the information in this application will be used to determine my eligibility for subsidized child care and may be used for Pre-K Counts, Head Start or Early Head Start, if my permission is given. I understand that information contained in this application may be shared with other Department of Human Services programs and the Office of the Inspector General. Further, I understand that I can be penalized by fine or imprisonment or subsidized child care ineligibility for making false statements or for my failure to report a change that I am required to report. I understand that changes are listed on the subsidized child care Rights and Responsibilities form on page 8. I understand that if I receive child care for which I was not eligible, I will be required to pay back the cost of the subsidized child care I received during the period of time when I was ineligible.

Parent/Caretaker Signature: _____ Date: _____

Parent/Caretaker Signature: _____ Date: _____

ELRC USE ONLY

ELRC Representative Signature: _____

Meets subsidy requirements effective: _____ Applicant notified in writing

Does not meet subsidy requirements effective: _____ Applicant notified in writing

Reason for eligibility: _____

ELRC Representative Signature: _____ Date: _____

Date and Time Stamp
Application received in ELRC office:

9

Rights and Responsibilities: You have the right to be treated fairly and with respect.

Your rights and responsibilities will be reviewed and discussed with you in detail by a person from the ELRC.

I understand that:

- The information in this form will be kept confidential.
- I may pick any eligible child care provider for my children. An eligible provider meets the requirements of the Subsidized Child Care Program and agrees to follow the Department of Human Services rules.
- I may need to pick another provider if my provider is not eligible to participate in the Subsidized Child Care Program.
- I will be told in writing when a change causes my family to lose help in paying for child care and that I may ask for hearing if I disagree with a decision that the ELRC has made.
- I must give the ELRC true and complete information and proof of information as requested.
- I must contact the ELRC within ten days following the date:
 - My family's gross monthly income exceeds income limits based on the flyer the ELRC provided me for reference;
 - The child no longer has a need for care or is no longer residing in the household.
 - A parent or caretaker in my family becomes an owner or director of a child care facility;
 - My family's assets are over \$1 million; or
 - I adopt my foster child.
- It is important that I contact the ELRC immediately if there is a change to:
 - My address;
 - My telephone number;
 - Who is providing child care for my child(ren); or
 - The number of days and hours my child needs care.

After the ELRC has determined you eligible for child care and funds are available to enroll your child(ren) in care, you need to know the following:

1. You must pay a copayment to your provider every week. The copayment is due to the provider on the first day of the week that your child(ren) attend(s). It is important that you pay your copayment on time. If you do not pay your copayment on time, you may lose the ELRC's help in paying for your child care.
2. Unless your child is ill, your child must attend the child care program on all the days that you told the ELRC he/she needed child care. If you need to make a change due to your work, education or training schedule, you must call the ELRC. You must report to the ELRC if your child will be absent for more than five days in a row. You could lose the ELRC's help in paying for your child care costs if your child has excessive, unexplained absences.
3. If your child is absent for more than 40 enrollment days between July 1 and June 30, you will be responsible to pay the provider the daily rate for each day of absence beginning with the 41st absence. You must pay the provider's daily rate in addition to your weekly copayment. For example, if your copayment is \$20/week and the daily rate is \$20, you must pay \$40 for the week that includes your child's 41st day of absence.
4. The ELRC will pay a child care center, family child care home or a group child care home for up to 15 days when the facility is not open to care for your child. The ELRC is unable to pay an alternate child care provider during these 15 days when your provider is not open to care for your child.
5. If the ELRC sends you a Notice of Adverse Action, it means there may be a change in your eligibility for subsidized child care. If you do not understand what is written in the notice, you should contact the ELRC immediately. If you disagree with a decision that the ELRC has made, you may ask for a hearing to review the decision. You must inform the ELRC that you do not agree with the decision by doing one of the following: (1) Fill out the bottom part of your notice or write a letter and then mail, fax or take the information to the ELRC; and (2) Call the ELRC to discuss the reason you do not agree with the decision and follow-up by putting your concerns in writing within seven days following the date of your telephone call with the ELRC. If you want the ELRC to continue to help pay for your child care during this process, you must mail, fax or take the bottom part of your notice or the letter that you wrote to the ELRC or call the ELRC on or before the date on the Notice of Adverse Action.
6. You may choose a new provider at any time. However, you must tell the ELRC and the ELRC must issue a new authorization before your child can begin child care with the new provider. The ELRC will authorize the transfer and continue to help pay for your child care after the transfer if: your family copayments are up-to-date AND you continue to be eligible for the ELRC's help in paying for your child care AND the new provider that you choose meets the requirements of the Subsidized Child Care Program. The new provider must also agree to follow the Department of Human Services rules. If the ELRC does not authorize the transfer, you will be responsible for paying the total cost of child care at the new provider.

Date discussed with parent/caretaker: _____

Initials of worker: _____

My signature below confirms that my Rights and Responsibilities were explained to me and that I have received a copy for my records:

Parent/Caretaker Signature: _____

Date: _____

10

Access to Other Services and Information: By answering these questions, we will be able to send you information about other services you may need.

- Yes No 1. Do you need help finding a quality child care program to meet the needs of your child and family? The ELRC can help you locate a quality child care program.
- Yes No 2. Would you like information about Pre-K Counts? If you have a child between the ages of 3 and 4, you may be eligible for Pre-K Counts. You do not have to be employed to receive Pre-K Counts.
- Yes No 3. Would you like information about Early Head Start or Head Start? If you are pregnant, have a child from birth up to 3 years old, you may be eligible for Early Head Start. If you have a child from 3 to 5 years old, you may be eligible for Head Start. You do not have to be employed to receive Head Start or Early Head Start.
- Yes No 4. Does your child(ren) need health insurance? Pennsylvania's Children's Health Insurance Program (CHIP) provides health insurance to children and teens who are not eligible for or enrolled in Medical Assistance.
- Yes No 5. Would you like information on Pennsylvania's supplemental food program for Women, Infants, and Children (WIC)? If you are pregnant, breastfeeding, not breastfeeding, or have an infant or children under age five, including foster children, you may meet the requirements to receive nutritional support from the WIC program.
- Yes No 6. Do you need dental or vision care?
- Yes No 7. Do you need health insurance?
- Yes No 8. Would you like information about Pennsylvania's Home Visiting Programs? Home Visiting Programs provide resources and skills to help raise children who are physically, socially, and emotionally healthy and ready to learn. If you are pregnant, an expectant father, a parent, a caregiver of children, or a member of a family that may be considered at-risk, you may be eligible.
- Yes No 9. Would you like information about a child's developmental stages?
- Yes No 10. Are you concerned about your child's development?
- Yes No 11. Would you like information about high quality child care and Keystone STARS?
- Yes No 12. Do you need help paying for food? (SNAP)
- Yes No 13. Would you like information about free and reduced school meals?
- Yes No 14. Do you need help paying for your heating, electric, or gas? The Low Income Home Energy Assistance Program (LIHEAP) helps low income families pay their heating bills. The payments would go directly to the utility company if you qualify.
- Yes No 15. Do you need information about housing or rental assistance?
- Yes No 16. Would you like to take classes to learn English as a second language (ESL)?
- Yes No 17. Would you like to enroll in a program to get your high school equivalency diploma (GED)?
- Yes No 18. Would you like to enroll in a job training program?
- Yes No 19. Would you like information about the Earned Income Tax Credit (EITC)? You may be eligible for an EITC if you work and earn low to modest incomes. If you are eligible, you may pay less federal taxes, no taxes, or get a refund.

Continued from #2 on Page 3: Use this page to list additional children living with you.

FIRST NAME, LAST NAME, MIDDLE INITIAL	DATE OF BIRTH (MM/DD/YY)	SEX (M/F)	OPTIONAL SSN	HOW IS THIS PERSON RELATED TO YOU?	IS THIS PERSON RELATED TO THE SECOND ADULT?	ETHNICITY (CHECK ONLY ONE)
Child						<input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic
<input type="checkbox"/> Black or African American	<input type="checkbox"/> American Indian/Alaskan Native	<input type="checkbox"/> Asian	<input type="checkbox"/> Native Hawaiian/Pacific Islander	<input type="checkbox"/> White	<input type="checkbox"/> Unknown	<input type="checkbox"/> Other
Child						<input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic
<input type="checkbox"/> Black or African American	<input type="checkbox"/> American Indian/Alaskan Native	<input type="checkbox"/> Asian	<input type="checkbox"/> Native Hawaiian/Pacific Islander	<input type="checkbox"/> White	<input type="checkbox"/> Unknown	<input type="checkbox"/> Other
Child						<input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic
<input type="checkbox"/> Black or African American	<input type="checkbox"/> American Indian/Alaskan Native	<input type="checkbox"/> Asian	<input type="checkbox"/> Native Hawaiian/Pacific Islander	<input type="checkbox"/> White	<input type="checkbox"/> Unknown	<input type="checkbox"/> Other
Child						<input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic
<input type="checkbox"/> Black or African American	<input type="checkbox"/> American Indian/Alaskan Native	<input type="checkbox"/> Asian	<input type="checkbox"/> Native Hawaiian/Pacific Islander	<input type="checkbox"/> White	<input type="checkbox"/> Unknown	<input type="checkbox"/> Other
Child						<input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic
<input type="checkbox"/> Black or African American	<input type="checkbox"/> American Indian/Alaskan Native	<input type="checkbox"/> Asian	<input type="checkbox"/> Native Hawaiian/Pacific Islander	<input type="checkbox"/> White	<input type="checkbox"/> Unknown	<input type="checkbox"/> Other

Continued from #3 on Page 3:

List name of child needing service:	Is the child a U.S. Citizen or in the U.S. lawfully?	Check the days that your child needs child care services. The ELRC will discuss your child care schedule to make sure you receive the services you need.						
6.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Monday	<input type="checkbox"/> Tuesday	<input type="checkbox"/> Wednesday	<input type="checkbox"/> Thursday	<input type="checkbox"/> Friday	<input type="checkbox"/> Saturday	<input type="checkbox"/> Sunday
7.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Monday	<input type="checkbox"/> Tuesday	<input type="checkbox"/> Wednesday	<input type="checkbox"/> Thursday	<input type="checkbox"/> Friday	<input type="checkbox"/> Saturday	<input type="checkbox"/> Sunday
8.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Monday	<input type="checkbox"/> Tuesday	<input type="checkbox"/> Wednesday	<input type="checkbox"/> Thursday	<input type="checkbox"/> Friday	<input type="checkbox"/> Saturday	<input type="checkbox"/> Sunday
9.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Monday	<input type="checkbox"/> Tuesday	<input type="checkbox"/> Wednesday	<input type="checkbox"/> Thursday	<input type="checkbox"/> Friday	<input type="checkbox"/> Saturday	<input type="checkbox"/> Sunday
10.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Monday	<input type="checkbox"/> Tuesday	<input type="checkbox"/> Wednesday	<input type="checkbox"/> Thursday	<input type="checkbox"/> Friday	<input type="checkbox"/> Saturday	<input type="checkbox"/> Sunday



Did you answer all questions?



Did you sign and date the Affidavit on Page 7?

**Remember: You can mail, hand-deliver,
or fax this application to the ELRC.**



pennsylvania
DEPARTMENT OF HUMAN SERVICES

REDETERMINATION LETTER

Early Learning Resource Center for Region 22
5548 Chestnut St.
2nd Floor
Philadelphia, PA 19139-3204
(215) 382-4762
Toll-Free 1-888-461-5437

Worker Name:
Phone Number: (215) 382-4762

CO RECORD
51

Date: 06/26/2018

Dear

You must submit information to our office no later than 08/07/2018 in order to maintain your eligibility for subsidized child care. You may update your information using the enclosed Redetermination Summary Form OR you may update your information online. If you have any questions about what proof you must submit for changes or you require assistance in completing your Redetermination Packet, please contact our office immediately.

INSTRUCTIONS FOR UPDATING INFORMATION USING THE ENCLOSED FORM:

The form gives you the most current information you reported to our office. Please review the information on the form carefully.

If there are NO CHANGES to the information on the form.

- Sign the form;
- Provide proof of pay received for 4 weeks out of the past 6 weeks; and
- Return ALL PAGES OF THE FORM to our office.

If there are CHANGES to the information on the form.

- Note the changes directly on the form;
- Sign the form;
- Provide proof of the changes you noted;
- Provide proof of pay received for 4 weeks out of the past 6 weeks; and
- Return ALL PAGES OF THE FORM to our office.

INSTRUCTIONS FOR UPDATING INFORMATION ONLINE:

If you would prefer to update your information online you must:

- Go to www.compass.state.pa.us and click on "Renew your benefits" under the red "Returning Users" block.
- On the "Renew Your Benefits" screen, choose "Department of Human Services Benefit: Child Care Works Subsidized Child Care Redetermination;"
- Type in the following 3 items in the spaces provided on the web page:

1. Your Social Security Number; and

NOTE: If you have never reported your Social Security Number to the ELRC, you will be unable to update your information online.

2. Your County/Record Number: 51 and

3. Your family's Redetermination Date: 08/07/2018.

NOTE: If your Redetermination Date has already passed, you will be unable to update your information online.

- Click "Sign In," then compare the information online to the information shown on the enclosed Redetermination Summary Form;
- Update any information that has changed or add information as needed by following the online directions;
- Click "Submit" when you are finished updating your information online;
- Provide proof of the changes you made or of the information you added online;
- Provide proof of pay received for 4 weeks out of the past 6 weeks.

If you need help while updating your information online, click on "Help."

If you or your spouse have a disability and do not receive disability payments, you must also submit a Medical Assessment Form completed by a licensed physician or psychologist.

If you are receiving subsidy for a foster child, you must submit written verification by the county children and youth agency indicating whether the child continues to be a foster child.

Sincerely,
Early Learning Resource Center for Region 22

Redetermination Summary Form

Please make any corrections to printed information by writing the correct information in the gray row directly underneath the information you need to correct. If you need to add additional family members, please add their information in the extra two rows at the end of each section. If you need to remove a family member, please cross out their information.

Last Name	First Name	MI	Sfx	Relationship to you	Sex	DOB	Citizen?		Homeless		Domestic Violence		Military Activity*	Interested in Registering to Vote**	Race	Ethnicity
							Yes	No	Yes	No	Yes	No				
				Self Applicant	F	07-17	X								Black or African American	Non-Hispanic

* Please use one of the following options for Military Activity: Non-veteran, Veteran, Active military, National Guard/Reserves.
 ** Please use one of the following options for Interested in Registering to Vote: No, Not Applicable, Not a U.S. Citizen, Already Registered, Yes, No Preference.

Last Name	First Name	MI	Sfx	Relationship to you	Sex	DOB	Citizen?		Race	Ethnicity
							Yes	No		
				Daughter	F	01-01	X		Black or African American	Non-Hispanic

Address	City	State	Zip Code	County
	PHILADELPHIA	PA	19151-2346	Philadelphia

Phone Type	Phone Number	Best time to call
Home	() _____	
Email		

Parent/Caretaker Employment and Wage Information

Name of Parent/Caretaker	Employer Name and Address	Type (Employment or Self-Employment)	Annual Income	Date Received	Hours Per Week
	un	Employment	\$ 19914.00	03-19-2017	12
			\$		

Household Assets Details

Does the household have assets in excess of \$1 million? No

Parent/Caretaker Education/Training Information

Name of parent/caretaker Participating in an Education/training program	School Name	Type of School (Elementary/Middle, Senior High/College, Vocational/Technical, Trade)	Hours Per Week/Schedule	Education or Training

Redetermination Summary Form

Disability Information

Information in the following section pertains to all of the family members with a disability.

If a parent or caretaker in your home has a disability and does not receive disability payments, a medical assessment form must be attached. The medical assessment must be completed by a licensed physician. A copy of the medical assessment form is available at your local ELRC.

Name	Type	Dev. Age (in Months)	Onset Date	Able to Care for Child	Able to Work	End Date

Immunization Information

Child's Name	Is this Child Immunized? (Yes/ Pending/90 days or so)	Good Cause Exemption (Yes or No)	Good Cause Reason (religious or medical)
	Yes	Yes Immunized	Yes Immunized

Other Income and Deductions

Please attach proof of all income and expenses. For employment income please provide proof of pay received for 4 weeks out of the past 6 week period. For self employment, please include a copy of your most recent tax return. For unearned income provide a copy of a check, check stub, or other documentation. Income includes, but is not limited to: money received for babysitting children, room and board, rent money received, Social Security, SSI, child support, Unemployment or Worker's Compensation, money for college or training, dividends or interest earned, pensions, commissions and union pay received. Medical expenses include doctor bills, hospital bills, health care premiums, medication expenses, bills for prosthetic devices and/or bills for durable medical equipment. Medical expenses must have been incurred within the past 90 days and must be expected to continue for the next 6 months.

Other Income

Name of person with income	Type/Source of Income (see option above)	Amount of Income	Date Received	How often is the income received
		\$		

Deductions

Name of the Person with an Expense	Type/Source of Expense (Medical Deduction, Child Support or (imony))	Amount of Expense	Date Expense Incurred	How often does the expense occur
		\$		

Other DHS Benefits
Do you receive:

Housing Assistance	Food Stamps	Federal Cash/Income
NO	YES	NO

Redetermination Summary Form

Affidavit

I swear or affirm that I have read or have had this redetermination packet and summary form read to me in full. By my signature, I attest that all information I have given is true, correct and complete to the best of my ability, knowledge and belief. Also I have received a written copy of my rights and responsibilities. I understand that information contained in this form may be cross referenced with the Department of Human Services Programs. Further, I understand that I can be penalized by fine or imprisonment or subsidized child care ineligibility by making any false statements or for my failure to report any changes that may affect my eligibility status.

Parent/Caretaker Signature

Date

Parent/Caretaker Signature

Date

To be completed by the ELRC Only

Family continues to be eligible

Family is no longer eligible

ELRC Representative Signature

Date

ELRC Representative Supervisor Signature

Date

Employment Verification Form for:

Employee's Name: _____

First Name _____

Last Name _____

Place of Employment: _____

Address of Employment: _____

Employer's Telephone Number
() - _____

I authorize the release of this information and give permission to the Early Learning Resource Center (ELRC) to verify all information contained in this form.
X _____

Employee's Signature _____

Date _____

THIS SECTION MUST BE COMPLETED BY THE EMPLOYER

Employer Identification Number (EIN): _____

EMPLOYEE INFORMATION:

Employee's Job Title: _____

Is the above-mentioned employee newly hired: Yes No

Employment Start Date: ____/____/____

HOURLY RATE: _____

AVERAGE DAILY TIPS: \$ _____

GROSS PAY: \$ _____

NEXT PAY DATE: ____/____/____

FREQUENCY OF PAY: Weekly Bi-Weekly (26 pays/year) Twice a Month (24 pays/year) Monthly

THE EMPLOYEE: Receives pay stubs Does not receive pay stubs Receives pay in CASH Has access to pay information online via the following website: _____

EMPLOYMENT SCHEDULE (Please indicate the days and hours the employee works and indicate whether the hours occur during A.M. or P.M.)
NOTE: If the schedule varies, please give a 4-week sample schedule.

WEEK ONE	Dates: from _____ to _____	WEEK TWO	Dates: from _____ to _____	WEEK THREE	Dates: from _____ to _____	WEEK FOUR	Dates: from _____ to _____
Mon. from _____ A.M./P.M. to _____ A.M./P.M.	Mon. from _____ A.M./P.M. to _____ A.M./P.M.	Mon. from _____ A.M./P.M. to _____ A.M./P.M.	Mon. from _____ A.M./P.M. to _____ A.M./P.M.	Mon. from _____ A.M./P.M. to _____ A.M./P.M.	Mon. from _____ A.M./P.M. to _____ A.M./P.M.	Mon. from _____ A.M./P.M. to _____ A.M./P.M.	Mon. from _____ A.M./P.M. to _____ A.M./P.M.
Tues. from _____ A.M./P.M. to _____ A.M./P.M.	Tues. from _____ A.M./P.M. to _____ A.M./P.M.	Tues. from _____ A.M./P.M. to _____ A.M./P.M.	Tues. from _____ A.M./P.M. to _____ A.M./P.M.	Tues. from _____ A.M./P.M. to _____ A.M./P.M.	Tues. from _____ A.M./P.M. to _____ A.M./P.M.	Tues. from _____ A.M./P.M. to _____ A.M./P.M.	Tues. from _____ A.M./P.M. to _____ A.M./P.M.
Wed. from _____ A.M./P.M. to _____ A.M./P.M.	Wed. from _____ A.M./P.M. to _____ A.M./P.M.	Wed. from _____ A.M./P.M. to _____ A.M./P.M.	Wed. from _____ A.M./P.M. to _____ A.M./P.M.	Wed. from _____ A.M./P.M. to _____ A.M./P.M.	Wed. from _____ A.M./P.M. to _____ A.M./P.M.	Wed. from _____ A.M./P.M. to _____ A.M./P.M.	Wed. from _____ A.M./P.M. to _____ A.M./P.M.
Thur. from _____ A.M./P.M. to _____ A.M./P.M.	Thur. from _____ A.M./P.M. to _____ A.M./P.M.	Thur. from _____ A.M./P.M. to _____ A.M./P.M.	Thur. from _____ A.M./P.M. to _____ A.M./P.M.	Thur. from _____ A.M./P.M. to _____ A.M./P.M.	Thur. from _____ A.M./P.M. to _____ A.M./P.M.	Thur. from _____ A.M./P.M. to _____ A.M./P.M.	Thur. from _____ A.M./P.M. to _____ A.M./P.M.
Fri. from _____ A.M./P.M. to _____ A.M./P.M.	Fri. from _____ A.M./P.M. to _____ A.M./P.M.	Fri. from _____ A.M./P.M. to _____ A.M./P.M.	Fri. from _____ A.M./P.M. to _____ A.M./P.M.	Fri. from _____ A.M./P.M. to _____ A.M./P.M.	Fri. from _____ A.M./P.M. to _____ A.M./P.M.	Fri. from _____ A.M./P.M. to _____ A.M./P.M.	Fri. from _____ A.M./P.M. to _____ A.M./P.M.
Sat. from _____ A.M./P.M. to _____ A.M./P.M.	Sat. from _____ A.M./P.M. to _____ A.M./P.M.	Sat. from _____ A.M./P.M. to _____ A.M./P.M.	Sat. from _____ A.M./P.M. to _____ A.M./P.M.	Sat. from _____ A.M./P.M. to _____ A.M./P.M.	Sat. from _____ A.M./P.M. to _____ A.M./P.M.	Sat. from _____ A.M./P.M. to _____ A.M./P.M.	Sat. from _____ A.M./P.M. to _____ A.M./P.M.
Sun. from _____ A.M./P.M. to _____ A.M./P.M.	Sun. from _____ A.M./P.M. to _____ A.M./P.M.	Sun. from _____ A.M./P.M. to _____ A.M./P.M.	Sun. from _____ A.M./P.M. to _____ A.M./P.M.	Sun. from _____ A.M./P.M. to _____ A.M./P.M.	Sun. from _____ A.M./P.M. to _____ A.M./P.M.	Sun. from _____ A.M./P.M. to _____ A.M./P.M.	Sun. from _____ A.M./P.M. to _____ A.M./P.M.
TOTAL # HOURS/WEEK: _____	TOTAL # HOURS/WEEK: _____	TOTAL # HOURS/WEEK: _____	TOTAL # HOURS/WEEK: _____	TOTAL # HOURS/WEEK: _____	TOTAL # HOURS/WEEK: _____	TOTAL # HOURS/WEEK: _____	TOTAL # HOURS/WEEK: _____

Effective Begin Date of Schedule change: ____/____/____ / ____/____/____

EXTENDED LEAVE
Is the employee on extended leave (maternity, disability, etc.)? Yes No Effective begin date of extended leave: ____/____/____ Date returned from extended leave: ____/____/____

TEMPORARY/SEASONAL EMPLOYMENT
Is the employee considered to be a temporary hire? Yes No If the employee is considered a temporary hire, what is the last date of guaranteed employment? ____/____/____ Expected date of return following break: ____/____/____

If the employee is seasonal, please give: Last day of work before break: ____/____/____
I understand that the information I am providing will be used to determine the above-named employee's eligibility for subsidized child care.

X
Please Print your name: _____ Employer's Signature _____ Date _____
Job Title: _____

Employee Verification Form

Dear Employer:

One of your employees has requested assistance paying his/her child care costs. We must verify his/her employment with you. This information will help us determine if this employee is eligible for the subsidized child care program. The form can be returned to the employee or mailed directly to the Early Learning Resource Center (ELRC).

An authorized COMPANY REPRESENTATIVE (not the employee) must complete this form.

We must have an accurate record of your employee's work schedule. Please complete the information on the back of this page. It is very important that the hours shown are specific and defined as either A.M. or P.M. (for example, 7:30 a.m. -- 3:30 p.m.). If the employee's schedule varies, please give a 4-week sample schedule. **You do not need to give a 4-week sample schedule unless the employee's schedule varies from week to week.**

Thank you for your time and assistance. If you have any questions about how to complete this form, please contact the ELRC listed below.

ELRC



Self-Employment Verification Form

PARENT / CARETAKER INFORMATION			
LAST NAME:	FIRST NAME:	MIDDLE NAME:	
STREET:	CITY:	STATE:	ZIP CODE:
SOCIAL SECURITY NUMBER:	HOME PHONE NUMBER:	ALTERNATE PHONE NUMBER:	

INFORMATION ABOUT SELF-EMPLOYED FAMILY MEMBER <small>(If different than above)</small>			
LAST NAME:	FIRST NAME:	MIDDLE NAME:	
STREET:	CITY:	STATE:	ZIP CODE:
SOCIAL SECURITY NUMBER:	HOME PHONE NUMBER:	ALTERNATE PHONE NUMBER:	

INFORMATION ABOUT BUSINESS			
NAME OF BUSINESS:		BUSINESS START DATE:	
STREET:	CITY:	STATE:	ZIP CODE:
NATURE OF BUSINESS:		BUSINESS PHONE NUMBER:	
CORPORATE STATUS OF BUSINESS <small>(Please check one of the following):</small>		EMPLOYER IDENTIFICATION NUMBER (EIN):	
<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> Limited Liability Corp			

REQUIRED BUSINESS DOCUMENTATION ATTACHED	
PLEASE ATTACH THE FOLLOWING:	
<input type="checkbox"/> Copy of most recent Federal Income Tax Return	
IF YOU ARE UNABLE TO PROVIDE A FEDERAL INCOME TAX RETURN, PLEASE ATTACH:	
<input type="checkbox"/> A worksheet that shows profits from self-employment; total gross receipts minus costs of doing business. Costs of doing business are specified in 55 Pa. Code § 3042, Appendix A, Part 1, Income Inclusions (T); AND	
CHECK AND ATTACH TWO OF THE FOLLOWING:	
<input type="checkbox"/> Accounting ledgers	<input type="checkbox"/> Account statements
<input type="checkbox"/> Bank deposit slips	<input type="checkbox"/> Canceled checks
<input type="checkbox"/> Cash register tapes	<input type="checkbox"/> Credit card charge slips
<input type="checkbox"/> Invoices	<input type="checkbox"/> Credit card sales slips
<input type="checkbox"/> Any other document that reasonably establishes gross profit or allowable deductions	

I affirm that I have read or had this statement read to me in full and that all information I have given is true, correct, and complete to the best of my ability, knowledge, and belief. I understand that my statement is made subject to 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities) and I can be penalized by fine, imprisonment, or subsidized childcare ineligibility for making any false statements that may affect my eligibility status. I understand that if I receive subsidized childcare for which I was not eligible, I will be required to pay back the cost of childcare I received in error.

X _____
PARENT / CARETAKER SIGNATURE DATE

X _____
STAFF SIGNATURE DATE



Department of the Treasury
Internal Revenue Service

Publication 1244

(Rev. August 2005)

**Employee's Daily
Record of Tips
and
Report to Employer**

This publication contains:

Form 4070A, Employee's Daily Record of
Tips

Form 4070, Employee's Report of Tips to
Employer

For the period

beginning..... and

ending.....

Name and address of employee

Instructions

You must keep sufficient proof to show the amount of your tip income for the year. A daily record of your tip income is considered sufficient proof. Keep a daily record for each workday showing the amount of cash and credit card tips received directly from customers or other employees. Also keep a record of the amount of tips, if any, you paid to other employees through tip sharing, tip pooling or other arrangements, and the names of employees to whom you paid tips. Show the date that each entry is made. This date should be on or near the date you received the tip income. You may use Form 4070A, Employee's Daily Record of Tips, or any other daily record to record your tips.

Reporting tips to your employer. If you receive tips that total \$20 or more for any month while working for one employer, you must report the tips to your employer. Tips include cash left by customers, tips customers add to debit or credit card charges, and tips you receive from other employees. You must report your tips for any one month by the 10th of the month after the month you receive the tips. If the 10th day falls on a Saturday, Sunday, or legal holiday, you may give the report to your employer on the next business day that is not a Saturday, Sunday, or legal holiday.

You must report tips that total \$20 or more every month regardless of your total wages and tips for the year. You may use Form 4070, Employee's Report of Tips to Employer, to report your tips to your employer. See the instructions on the back of Form 4070.

You must include all tips, including tips not reported to your employer, as wages on your income tax return. You may use the last page of this publication to total your tips for the year.

Your employer must withhold income, social security, and Medicare (or railroad retirement) taxes on tips you report. Your employer usually deducts the withholding due on tips from your regular wages.

(continued on inside of back cover)

Employee's Daily Record of Tips

This is a voluntary form provided for your convenience.
 See instructions for records you must keep.

Employee's name and address	Employer's name	Month and year
	Establishment name (if different)	

Date tips rec'd	Date of entry	a. Tips received directly from customers and other employees	b. Credit and debit card tips received	c. Tips paid out to other employees	d. Names of employees to whom you paid tips
1					
2					
3					
4					
5					
Subtotals					

For Paperwork Reduction Act Notice, see Instructions on the back of Form 4070.

Date tips rec'd	Date of entry	a. Tips received directly from customers and other employees	b. Credit and debit card tips received	c. Tips paid out to other employees	d. Names of employees to whom you paid tips
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
Subtotals					

Date tips rec'd	Date of entry	a. Tips received directly from customers and other employees	b. Credit and debit card tips received	c. Tips paid out to other employees	d. Names of employees to whom you paid tips
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
Subtotals					

Date tips rec'd	Date of entry	a. Tips received directly from customers and other employees	b. Credit and debit card tips received	c. Tips paid out to other employees	d. Names of employees to whom you paid tips
26					
27					
28					
29					
30					
31					
Subtotals from pages 1, 2, and 3					
Totals					

1. Report total cash tips (col. a) on Form 4070, line 1.
2. Report total credit and debit card tips (col. b) on Form 4070, line 2.
3. Report total tips paid out (col. c) on Form 4070, line 3.

Form **4070**
(Rev. August 2005)
Department of the Treasury
Internal Revenue Service

Employee's Report of Tips to Employer

OMB No. 1545-0074

Employee's name and address	Social security number : : : :
Employer's name and address (include establishment name, if different)	1 Cash tips received
	2 Credit and debit card tips received
	3 Tips paid out
Month or shorter period in which tips were received from , to	4 Net tips (lines 1 + 2 - 3)
Signature	Date

For Paperwork Reduction Act Notice, see the instructions on the back of this form.

Cat. No. 41320P

Form **4070** (Rev. 8-2005)

Purpose. Use this form to report tips you receive to your employer. This includes cash tips, tips you receive from other employees, and debit and credit card tips. You must report tips every month regardless of your total wages and tips for the year. However, you do not have to report tips to your employer for any month you received less than \$20 in tips while working for that employer.

Report tips by the 10th day of the month following the month that you receive them. If the 10th day is a Saturday, Sunday, or legal holiday, report tips by the next day that is not a Saturday, Sunday, or legal holiday.

See Pub. 531, Reporting Tip Income, for more details.

You can get additional copies of Pub. 1244, Employee's Daily Record of Tips and Report to Employer, which contains both Forms 4070A and 4070, by calling 1-800-TAX-FORM (1-800-829-3676) or by downloading the pub from the IRS website at www.irs.gov.

Paperwork Reduction Act Notice. We ask for the information on these forms to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For the estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

Instructions (continued)

Unreported Tips. If you received tips of \$20 or more for any month while working for one employer but did not report them to your employer, you must figure and pay social security and Medicare taxes on the unreported tips when you file your tax return. If you have unreported tips, you must use Form 1040 and Form 4137, Social Security and Medicare Tax on Unreported Tip Income, to report them. You may not use Form 1040A or 1040EZ. Employees subject to the Railroad Retirement Tax Act cannot use Form 4137 to pay railroad retirement tax on unreported tips. To get railroad retirement credit, you must report tips to your employer.

If you do not report tips to your employer as required, you may be charged a penalty of 50% of the social security and Medicare taxes (or railroad retirement tax) due on the unreported tips unless there was reasonable cause for not reporting them.

Additional Information. Get Pub. 531, Reporting Tip Income, and Form 4137 for more information on tips. If you are an employee of certain large food or beverage establishments, see Pub. 531 for tip allocation rules.

Recordkeeping. If you do not keep a daily record of tips, you must keep other reliable proof of the tip income you received. This proof includes copies of restaurant bills and credit card charges that show amounts customers added as tips.

Keep your tip income records for as long as the information on them may be needed in the administration of any Internal Revenue law.

FAMILY SAFETY NOTICE

IMPORTANT INFORMATION ABOUT CERTAIN WELFARE RULES & DOMESTIC VIOLENCE

**We can help if you are unable to follow
certain welfare rules because of domestic violence.**

Sometimes, people cannot follow welfare rules because they have suffered domestic violence or are afraid that they or their children will be abused. In other cases, following certain welfare rules can make it more difficult for families to recover from past domestic violence, even if they are not now in danger.

If you are unable to meet one or more welfare requirements because of domestic violence, you can be excused. To be excused, you should do two things:

1. Appeal any notice you have received cutting off or reducing your welfare benefits if domestic violence prevented you from complying with one or more requirements;
- AND
2. Complete the Domestic Violence Verification Form on the back of this notice and give it to your welfare caseworker. You should do this even if you have received a notice to cut off or reduce your benefits.

Requirements that can be waived include:

- **Work (RESET)**
- **Support cooperation**
- **Teen parent live-at-home rules**
- **Time limits**
- **Verification**
- **Other requirements may be waived by the county assistance office (CAO) or on a case by case basis by the Bureau of Policy.**

Your caseworker can help you find local programs for counseling, safety planning, shelter, legal services, and other help.

You can ask to speak to your caseworker in private. Your caseworker and staff at the CAO will keep your personal information confidential. However, the Department of Human Services is required by law to report child abuse to the local children and youth agency.

DOMESTIC VIOLENCE VERIFICATION FORM

NAME _____	CASE NUMBER _____
------------	-------------------

PLEASE READ THESE INSTRUCTIONS CAREFULLY. - ONLY ONE OF THE COLORED BLOCKS MUST BE COMPLETED. BLOCK 2 OR 3 IS USED WHEN VERIFICATION IS AVAILABLE. BLOCK 4 IS USED WHEN VERIFICATION IS NOT READILY AVAILABLE AND THE CLIENT AFFIRMS THE DOMESTIC VIOLENCE. BLOCKS 1 AND 5 ARE COMPLETED FOR ALL GOOD CAUSE BASED ON DOMESTIC VIOLENCE CLAIMANTS.

1. GOOD CAUSE CLAIM

I, _____, request to be excused from the following TANF program or CCIS Child Care program requirement(s) because of domestic violence: support cooperation, RESET time limit (Time-Out), time limit (Extended TANF); or other TANF or CCIS program requirement (please specify) _____
 I have been asked to provide verification to support my claim. I have cooperated/will cooperate in providing verification below.

2. RECORDS

I SUBMIT ONE OF THE FOLLOWING, IF AVAILABLE:

<input type="checkbox"/> LAW ENFORCEMENT RECORDS	<input type="checkbox"/> SOCIAL SERVICE RECORDS
<input type="checkbox"/> COURT RECORDS	<input type="checkbox"/> CHILD PROTECTIVE SERVICES RECORDS
<input type="checkbox"/> MEDICAL/TREATMENT RECORDS	<input type="checkbox"/> OTHER (SPECIFY) _____

3. AUTHORIZATION/VERIFICATION BY A THIRD PARTY

I authorize _____ to complete the verification below and to provide it to the Department of Public Welfare for the purpose of verifying my good cause

_____ DATE _____ CLIENT SIGNATURE _____

THIS STATEMENT IS SUBMITTED BY

_____ (NAME)
 _____ (TITLE)
 _____ (ORGANIZATIONAL AFFILIATION)
 _____ (ADDRESS)

I AM (CHECK ONE)

<input type="checkbox"/> A DOMESTIC VIOLENCE SERVICE PROVIDER	<input type="checkbox"/> A LEGAL REPRESENTATIVE
<input type="checkbox"/> A MEDICAL, PSYCHOLOGICAL OR SOCIAL SERVICE PROVIDER	<input type="checkbox"/> AN ACQUAINTANCE/FRIEND/RELATIVE/NEIGHBOR OF THE CLAIMANT
<input type="checkbox"/> A LAW ENFORCEMENT PROFESSIONAL	<input type="checkbox"/> OTHER (SPECIFY) _____
<input type="checkbox"/> A COUNTY CHILDREN AND YOUTH REPRESENTATIVE	

I have knowledge of the claimant's experience with and/or steps to escape domestic violence and submit this statement to verify that compliance with the TANF/CCIS program requirement(s) checked above may place the claimant and/or household or family members at risk of further domestic violence, make it more difficult for the claimant and/or household or family members to escape domestic violence, or unfairly penalize the claimant and/or household or family members who is or has been victimized by domestic violence

_____ DATE _____ THIRD PARTY SIGNATURE _____

4. SELF-AFFIRMATION

I affirm that compliance with the TANF/CCIS program requirement(s) checked above would place me and/or my household or family members at risk of further domestic violence, make it more difficult for me or a member of my family or household to escape domestic violence, or unfairly penalize me or a member of my family or household who is or has been victimized by domestic violence. I do not have and am unable to safely obtain evidence to verify the domestic violence.

_____ DATE _____ CLIENT SIGNATURE _____

5. GOOD CAUSE DECISION (CAO USE ONLY)

EXCUSED NOT EXCUSED

_____ WORKER _____ DATE _____



Homelessness Verification Form

NAME _____	CASE NUMBER _____
------------	-------------------

PLEASE READ INSTRUCTIONS CAREFULLY. You must complete Block 1 in order to receive additional supportive services. You must complete **ONE of the following BLOCKS (2, 3, or 4)**. Use Block 2 OR 3 when verification is available. Use Block 4 when verification is not readily available to affirm your family is experiencing homelessness. The CCIS will complete Block 5 and will provide you with a copy of this completed form indicating which additional supportive service(s) you will receive.

1. REQUEST FOR ADDITIONAL SUPPORTIVE SERVICES

I, _____, request additional supportive services to help my family since we are experiencing homelessness. I am specifically requesting a waiver of the following CCIS program requirements (Specify below):

The CCIS asked me to provide verification to support my claim that my family is experiencing homelessness. I have cooperated in providing verification as indicated below.

2. RECORDS

I submit one of the following, if available:

- | | |
|---|--|
| <input type="checkbox"/> Social service records | <input type="checkbox"/> Medical/treatment records |
| <input type="checkbox"/> School records | <input type="checkbox"/> Other (specify): _____ |

3. AUTHORIZATION / VERIFICATION BY A THIRD PARTY

I authorize _____ to complete the verification below and to provide it to the Department of Human Services / Child Care Information Services (CCIS) agency for the purposes of verifying my request for additional supportive services.

CLIENT SIGNATURE DATE

This statement is submitted by: _____ (Name & Title)
 _____ (Organizational Affiliation)
 _____ (Address & Telephone Number)

I am:

- | | |
|---|---|
| <input type="checkbox"/> Social service provider | <input type="checkbox"/> Medical / psychological service provider |
| <input type="checkbox"/> School representative | <input type="checkbox"/> Legal representative |
| <input type="checkbox"/> Friend / relative / acquaintance | <input type="checkbox"/> Other (Specify): _____ |

I have knowledge of the client's experience with homelessness and would like to request the additional supportive services checked above. I do not have and am unable to provide evidence to verify homelessness.

THIRD PARTY SIGNATURE DATE

4. SELF-AFFIRMATION

I affirm that my family is experiencing homelessness and would like to request the additional supportive services checked above. I do not have and am unable to provide evidence to verify homelessness.

CLIENT SIGNATURE DATE

5. CCIS DECISION

- ELIGIBLE for supportive services NOT ELIGIBLE for supportive services

CCIS REPRESENTATIVE SIGNATURE DATE

Early Learning Resource Center for Region 18
228 N. Main Street
Doylestown, PA 18001-3732
(610) 437-6000
Toll Free 1-800-528-7222

**CONFIRMATION
NOTICE**

Notice ID: 24570219

Page 1 of 4

ELRC RETURN ADDRESS CASELOAD: 0001

CO	RECORD	CAT
		CC

DATE: 6/28/2018

IMPORTANT APPEALS INFORMATION IS ENCLOSED IN THIS PACKET

OUR OFFICE HAS TAKEN THE FOLLOWING ACTION CONCERNING YOUR CHILD CARE BENEFITS:

SECTION A: Individuals

Name	Eligibility Status	Eligibility End Date
-	Eligible Adult	N/A
-	Not Requesting Child	N/A
-	Not Requesting Child	N/A
-	Eligible Child	N/A
-	Eligible Child	N/A
-	Eligible Child	N/A

65 Pa. Code, Chapter 3041, § 3041.132 Our records indicate that you have requested your family's subsidy to be voluntarily terminated. Effective 07/13/2018, your family will be ineligible for subsidized child care. You may re-apply at any time.

SECTION B: Household Income

Name	Gross Annual	
	Earned	Other
	\$10,337.54	\$8,788.00
	\$0.00	\$0.00
	\$0.00	\$0.00
	\$0.00	\$0.00
	\$0.00	\$0.00
	\$0.00	\$0.00
	\$0.00	\$0.00
	\$0.00	\$0.00
	\$0.00	\$0.00
SUPPORT/ALIMONY		\$0.00
MEDICAL		\$0.00
GROSS ANNUAL INCOME		\$19,133.54
CALCULATED ANNUAL DEDUCTIONS		\$0.00
ADJUSTED ANNUAL INCOME		\$19,133.54

FAMILY SIZE 6

APPEAL AND FAIR HEARING

If you disagree with our decision, you have the right to appeal. See attached explanation of your right to appeal.

Although you have 30 days from the date above to appeal, the ELRC must receive your written appeal on or before 07/12/2018 in order for your subsidized child care to continue pending the hearing decision.

If your subsidized child care continues and the Hearing Officer finds in favor of the Department you may be required to pay back the funding that was paid on your behalf for child care.

Detach here

Detach here

IF YOU WISH TO APPEAL, COMPLETE AND RETURN TO THE ELRC THE INFORMATION ON THE BACK OF THIS NOTICE.

APPLICANT NAME AND ADDRESS

[Empty box for Applicant Name and Address]

Please correct your address here if necessary

CO	RECORD	CAT
09	0052389	CC

Worker Name: TESTAUTH21 T.
 Telephone: (810) 437-6000
 Date: 8/29/2018

Notice ID: 24570219

ELRC ADDRESS

Early Learning Resource Center for Region 10
 228 N. Main Street
 Doylestown, PA 18001-3732

LEGAL HELP AVAILABLE AT:

LEGAL AID OF SOUTHEASTERN PENNSYLVANIA
 1280 VETERANS HIGHWAY
 BOX 609
 BRISTOL, PA 19007
 (877) 429-5004

IF YOU HAVE CONCERNS ABOUT THE LEGAL AID ADDRESS LISTED, CONTACT THE ELRC TO DISCUSS WHETHER THERE IS ANOTHER OFFICE LOCATED CLOSER TO YOUR HOME OR WORK

YOUR RIGHT TO APPEAL TO A FAIR HEARING

You have the right to appeal any Early Learning Resource Center (ELRC) agency or Departmental action or failure to act, and to have a hearing if you are dissatisfied with any decision to deny, discontinue or change your subsidized child care request.

If a change in your subsidized child care eligibility is caused by a State or Federal law, regulation or policy change, you may appeal the change; however you will not be granted a hearing unless you are appealing the correctness of your eligibility determination. If you are only challenging the law, regulation or policy, your appeal will be dismissed by the Department but may be appealed to a higher court.

At the hearing you can present to the Hearing Officer the reason you think the decision made by the ELRC is incorrect and present evidence or witnesses in your own behalf. You have the right to represent yourself or to have anyone represent you.

If you speak a language other than English and need an interpreter, please contact your ELRC so arrangements can be made to provide an interpreter.

If you and your representative would like to meet with the ELRC staff to discuss the matter informally or to present information which might change the proposed action, please call your ELRC worker. This will not delay or replace your fair hearing.

Your request for a hearing must be postmarked or received within 30 calendar days of the date of this notice. If your request is not received within the 30-day time limit, your appeal will be dismissed without a hearing.

HOW TO REQUEST A FAIR HEARING

To appeal and request a hearing you must put the appeal in writing as follows:

1. Include a copy of your notice.
2. Give a number where you can be reached.
3. Give your exact address.
4. Complete and return the bottom portion of the notice.

HEARING LOCATIONS

Erie for: Cameron, Clarion, Crawford, Elk, Erie, Forest, McKean, Mercer, Potter, Venango, Warren.

Harrisburg for: Adams, Centre, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Lycoming, Mifflin, Montour, Northumberland, Perry, Snyder, Union, York.

Philadelphia for: Berks, Chester, Delaware, Montgomery, Philadelphia.

Pittsburgh for: Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Clearfield, Fayette, Greene, Indiana, Jefferson, Lawrence, Somerset, Washington, Westmoreland.

Reading for: Berks, Lehigh, Northampton, Schuylkill.

Wilkes-Barre for: Bradford, Carbon, Clinton, Columbia, Lackawanna, Luzerne, Monroe, Pike, Sullivan, Susquehanna, Tioga, Wayne, Wyoming.

Detach here

Detach here

IF YOU WISH TO APPEAL, COMPLETE AND RETURN TO THE ELRC THE INFORMATION BELOW.

Notice ID: 24570219

Please check one of the boxes to show which type of hearing you want: I want a telephone hearing. I want a face-to-face hearing.

Please check if you require any reasonable special accommodation because of a hearing impairment or other disability.

Please check if you need an interpreter. What language? _____

NOTE: If you ask for an interpreter but later get your own interpreter, please call the Office of Hearings and Appeals (717) 783-3950

I WANT TO REQUEST A HEARING BECAUSE: (Attach additional pages if necessary) _____

Check here if you do not want your subsidized child care to continue at the current amount pending the hearing decision.

Parent / Caretaker Signature Address Telephone No. (between 8 A.M. and 5 P.M.) Date

Parent / Caretaker Rep. Signature Address Telephone No. (between 8 A.M. and 5 P.M.) Date

Notice ID: 24570219

Early Learning Resource Center for Region 18
 2515 Germantown Avenue
 Philadelphia, PA 19133-1636
 (215) 783-0100
 Toll-Free 1-888-481-5437

**CHILD CARE ELIGIBLE
 NOTICE**

Notice ID: 24552005

ELRC RETURN ADDRESS CASELOAD: 0901

CO	RECORD	CAT
51		CC

DATE: 05/03/2018

IMPORTANT APPEALS INFORMATION IS ENCLOSED IN THIS PACKET

THIS NOTICE IS NOT AN AUTHORIZATION FOR PAYMENT
 Effective 05/01/2018, the individuals named in Section A of this notice are eligible to participate in the subsidized child care program.

Section A - Eligible Individuals		
Name	Eligibility Status	Eligibility End Date
	Eligible Adult	N/A
	Eligible Child	N/A

SECTION B: Household Income

Name	Gross Annual	
	Earned	Other
	\$12,900.00	\$0.00
	\$0.00	\$0.00
	\$0.00	\$0.00
SUPPORT/ALIMONY		\$0.00
MEDICAL		\$0.00
GROSS ANNUAL INCOME		\$12,900.00
CALCULATED ANNUAL DEDUCTIONS		\$0.00
ADJUSTED ANNUAL INCOME		\$12,900.00

FAMILY SIZE 2

Your total family co-payment is \$16 per week.

You are responsible for paying your co-payment to your child care provider.

The child care co-payment is based upon your income and household size. Refer to Section B above for the income and other factors used in determining your child care allowance and co-payment amount. Regulation: 55 PA CODE 3041.101(a).

APPEAL AND FAIR HEARING

If you disagree with our decision, you have the right to appeal. See attached explanation of your right to appeal.

Although you have 30 days from the date above to appeal, the ELRC must receive your written appeal on or before 05/16/2018 in order for your subsidized child care to continue pending the hearing decision.

If your subsidized child care continues and the Hearing Officer finds in favor of the Department you may be required to pay back the funding that was paid on your behalf for child care.

Detach here

Detach here

IF YOU WISH TO APPEAL, COMPLETE AND RETURN TO THE ELRC THE INFORMATION ON THE BACK OF THIS NOTICE.

APPLICANT NAME AND ADDRESS

--

Please correct your address here if necessary

CO	RECORD	CAT
----	--------	-----

51	8777069	CC
----	---------	----

Worker Name: TESTAUTH21 T.

Telephone: (215) 763-0100

Date: 05/03/2018

Notice ID: 24552005

ELRC ADDRESS

Early Learning Resource Center for Region 18
2515 Germantown Avenue
Philadelphia, PA 19133-1636

LEGAL HELP AVAILABLE AT:

COMMUNITY LEGAL SERVICES, INC
1410 W. ERIE AVE.
PHILADELPHIA, PA 19140
(215) 227-4200

IF YOU HAVE CONCERNS ABOUT THE LEGAL AID ADDRESS LISTED, CONTACT THE ELRC TO DISCUSS WHETHER THERE IS ANOTHER OFFICE LOCATED CLOSER TO YOUR HOME OR WORK

YOUR RIGHT TO APPEAL TO A FAIR HEARING

You have the right to appeal any Early Learning Resource Center (ELRC) agency or Departmental action or failure to act, and to have a hearing if you are dissatisfied with any decision to deny, discontinue or change your subsidized child care request.

If a change in your subsidized child care eligibility is caused by a State or Federal law, regulation or policy change, you may appeal the change; however you will not be granted a hearing unless you are appealing the correctness of your eligibility determination. If you are only challenging the law, regulation or policy, your appeal will be dismissed by the Department but may be appealed to a higher court.

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Pittsburgh for: Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Clearfield, Fayette, Greene, Indiana, Jefferson, Lawrence, Somerset, Washington, Westmoreland.

Reading for: Berks, Lehigh, Northampton, Schuylkill.

Wilkes-Barre for: Bradford, Carbon, Clinton, Columbia, Lackawanna, Luzerne, Monroe, Pike, Sullivan, Susquehanna, Tioga, Wayne, Wyoming.

Detach here

Detach here

IF YOU WISH TO APPEAL, COMPLETE AND RETURN TO THE ELRC THE INFORMATION BELOW.

Notice ID: 24552005

Please check one of the boxes to show which type of hearing you want: I want a telephone hearing. I want a face-to-face hearing.

Please check if you require any reasonable special accommodation because of a hearing impairment or other disability.

Please check if you need an interpreter. What language? _____

NOTE: If you ask for an interpreter but later get your own interpreter, please call the Office of Hearings and Appeals (717) 783-3050

I WANT TO REQUEST A HEARING BECAUSE: (Attach additional pages if necessary.) _____

Check here if you do not want your subsidized child care to continue at the current amount pending the hearing decision.

Parent / Caretaker Signature Address Telephone No. (between 8 A.M. and 5 P.M.) Date

Parent / Caretaker Rep. Signature Address Telephone No. (between 8 A.M. and 5 P.M.) Date

Early Learning Resource Center for Region 18
 2515 Germantown Avenue
 Philadelphia, PA 19133-1636
 (215) 763-0100
 Toll Free 1-888-481-5437

INCOME GUIDELINES

CORRESPONDENCE ID: 24552005

ELRC RETURN ADDRESS CASELOAD: 0901

CO	RECORD	CAT
51		CC

DATE: 05/03/2018

You are required to report to the ELRC when your family's income is above 85% of the state median income limits. Please refer to the chart below, which lists the state median income limits.

SMI Limits

Your SMI limit →

Family Size	Household Income (\$) 85%
1	37586
2	49150
3	60716
4	72281
5	83846
6	95411
7	97579
8	99748
9	101916
10	104084
11	106253
12	108421
13	110589
14	112758
15	114926
16	117094
17	119263
18	121431
19	123600
20	125769
21	127937

Your family size: 2
 Your household income: \$ 12,500.00
 Your household income percentage: 22.31%
 Current maximum percentage allowed: 85%

Early Learning Resource Center for Region 5
 305 Wood St
 Pittsburgh, PA 15222-1992
 (412) 261-2273
 Toll-Free 1-800-392-3131

**CHILD CARE INELIGIBLE
 NOTICE**

Notice ID: 24570707

ELRC RETURN ADDRESS CASELOAD: 0101

CO	RECORD	CAT
02		CC

DATE: 07/02/2018

IMPORTANT APPEALS INFORMATION IS ENCLOSED IN THIS PACKET

Your family or a member of your family is ineligible to participate in the subsidized child care program. The individuals named in Section A of this notice are ineligible to participate in the subsidized child care program in accordance with 55 Pa. Code, Chapter 3041.

SECTION A: Individuals

Name	Eligibility Status	Eligibility End Date
	Ineligible Adult	N/A
	Ineligible Child	N/A

A family is ineligible for subsidized child care when one parent or caretaker or both parents or caretakers, or all children in the family fail to meet eligibility requirements under 55 Pa. Code, Chapter 3041.

Individual Name: KASNDFOIN, A. ALSKDFN

55 Pa. Code, Chapter 3041, § 3041.12(b) You failed to self certify the child's age and the ELRC is unable to determine whether the child is under 13 years of age; therefore your family or a member of your family is ineligible for subsidized child care.

SECTION B: Household Income

Name	Gross Annual	
	Earned	
	Earned	\$6,450.00
	Other	\$0.00
	Earned	\$0.00
	Other	\$0.00
SUPPORT/ALIMONY		\$0.00
MEDICAL		\$0.00
GROSS ANNUAL INCOME		\$6,450.00
CALCULATED ANNUAL DEDUCTIONS		\$0.00
ADJUSTED ANNUAL INCOME		\$6,450.00
FAMILY SIZE		2

SECTION C: Appeal Information

APPEAL AND FAIR HEARING

If you disagree with our decision, you have the right to appeal. See attached explanation of your right to appeal.

You have 30 days from the date above to appeal.

Detach here

Detach here

IF YOU WISH TO APPEAL, COMPLETE AND RETURN TO THE ELRC THE INFORMATION ON THE BACK OF THIS NOTICE.

APPLICANT NAME AND ADDRESS

Please correct your address here if necessary

CO	RECORD	CAT
02		CC

Worker Name: TESTAUTH21 T.
 Telephone: (412) 281-2273
 Date: 07/02/2018

Notice ID: 24570707

ELRC ADDRESS

Early Learning Resource Center for Region 5
 305 Wood St.
 Pittsburgh, PA 15222-1982

LEGAL HELP AVAILABLE AT:

NEIGHBORHOOD LEGAL SERVICES ASSOCIATION
 CENTRAL OFFICE
 928 PENN AVENUE
 PITTSBURGH, PA 15222
 (800) 761-6572

IF YOU HAVE CONCERNS ABOUT THE LEGAL AID ADDRESS LISTED, CONTACT THE ELRC TO DISCUSS WHETHER THERE IS ANOTHER OFFICE LOCATED CLOSER TO YOUR HOME OR WORK

YOUR RIGHT TO APPEAL TO A FAIR HEARING

You have the right to appeal any Early Learning Resource Center (ELRC) agency or Departmental action or failure to act, and to have a hearing if you are dissatisfied with any decision to deny, discontinue or change your subsidized child care request.

If a change in your subsidized child care eligibility is caused by a State or Federal law, regulation or policy change, you may appeal the change; however you will not be granted a hearing unless you are appealing the correctness of your eligibility determination. If you are only challenging the law, regulation or policy, your appeal will be dismissed by the Department but may be appealed to a higher court.

At the hearing you can present to the Hearing Officer the reason you think the decision made by the ELRC is incorrect and present evidence or witnesses in your own behalf. You have the right to represent yourself or to have anyone represent you.

If you speak a language other than English and need an interpreter, please contact your ELRC so arrangements can be made to provide an interpreter.

If you and your representative would like to meet with the ELRC staff to discuss the matter informally or to present information which might change the proposed action, please call your ELRC worker. This will not delay or replace your fair hearing.

Your request for a hearing must be postmarked or received within 30 calendar days of the date of this notice. If your request is not received within the 30-day time limit, your appeal will be dismissed without a hearing.

HOW TO REQUEST A FAIR HEARING

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1. Include a copy of your notice.
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3. Give your exact address.
4. Complete and return the bottom portion of the notice.

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Harrisburg for: Adams, Centre, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Lycoming, Mifflin, Montour, Northumberland, Perry, Snyder, Union, York.

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Wilkes-Barre for: Bradford, Carbon, Clinton, Columbia, Lackawanna, Luzerne, Monroe, Pike, Sullivan, Susquehanna, Tioga, Wayne, Wyoming.

Detach here

Detach here

IF YOU WISH TO APPEAL, COMPLETE AND RETURN TO THE ELRC THE INFORMATION BELOW.

Notice ID: 24570707

Please check one of the boxes to show which type of hearing you want: I want a telephone hearing. I want a face-to-face hearing.

Please check if you require any reasonable special accommodation because of a hearing impairment or other disability.

Please check if you need an interpreter. What language? _____

NOTE: If you ask for an interpreter but later get your own interpreter, please call the Office of Hearings and Appeals (717) 783-3950

I WANT TO REQUEST A HEARING BECAUSE: (Attach additional pages if necessary) _____

Check here if you do not want your subsidized child care to continue at the current amount pending the hearing decision.

Parent / Caretaker Signature Address Telephone No. (between 8 A.M. and 5 P.M.) Date

Parent / Caretaker Rep. Signature Address Telephone No. (between 8 A.M. and 5 P.M.) Date

Early Learning Resource Center for Region 5
305 Wood St.
Pittsburgh, PA 15222-1992
(412) 261-2273
Toll-Free 1-800-392-3131

NOTICE OF ADVERSE ACTION

Notice ID: 24570711

ELRC RETURN ADDRESS CASELOAD: 0101

CO	RECORD	CAT
02	9482651	CC

DATE: 07/02/2018

ONE SAMPLE
18 RICHLAND LN
ADAMSBURG, PA 16501

IMPORTANT APPEALS INFORMATION IS ENCLOSED IN THIS PACKET

Eligibility in the subsidized child care program for your family or a member of your family will end on 07/16/2018. The individuals named in Section A of this notice are ineligible to participate in the subsidized child care program in accordance with 55 Pa. Code, Chapter 3041. If you are able to resolve the issue(s) by 07/16/2018, contact your ELRC.

SECTION A: Individuals

Name	Eligibility Status	Eligibility End Date
SAMPLE, ONE	Ineligible Adult	07/16/2018
SAMPLE, TWO	Ineligible Adult	07/16/2018
SAMPLE, THREE	Ineligible Child	07/16/2018

55 Pa. Code, Chapter 3041, §§ 3041.65(a) and (b) and 3041.67 You failed to submit acceptable verification regarding income and/or the work-hour requirement to the ELRC; therefore your family is ineligible for subsidized child care.

Individual Name: ONE SAMPLE

55 Pa. Code, Chapter 3041, §§ 3041.65(a) and (b) and 3041.67 You failed to submit acceptable verification regarding income and/or the work-hour requirement to the ELRC; therefore your family is ineligible for subsidized child care.

SECTION B: Household Income

Name	Gross Annual	
	Earned	
SAMPLE, ONE	Earned	\$10.00
	Other	\$0.00
SAMPLE, TWO	Earned	\$10.00
	Other	\$0.00
SAMPLE, THREE	Earned	\$0.00
	Other	\$0.00
SUPPORT/ALIMONY		\$0.00
MEDICAL		\$0.00
GROSS ANNUAL INCOME		\$20.00
CALCULATED ANNUAL DEDUCTIONS		\$0.00
ADJUSTED ANNUAL INCOME		\$20.00

FAMILY SIZE 3

SECTION C: Appeal Information

APPEAL AND FAIR HEARING

If you disagree with our decision, you have the right to appeal. See attached explanation of your right to appeal.

Although you have 30 days from the date above to appeal, the ELRC must receive your written appeal on or before 07/16/2018 in order for your subsidized child care to continue pending the hearing decision.

If your subsidized child care continues and the Hearing Officer finds in favor of the Department you may be required to pay back the funding that was paid on your behalf for child care.

Detach here

Detach here

IF YOU WISH TO APPEAL, COMPLETE AND RETURN TO THE ELRC THE INFORMATION ON THE BACK OF THIS NOTICE

APPLICANT NAME AND ADDRESS

ONE SAMPLE
18 RICHLAND LN
ADAMSBURG, PA 16501

Please correct your address here if necessary

CO	RECORD	CAT
02	0482051	CC

Worker Name: TESTAUTH21 T.
Telephone: (412) 251-2273
Date: 07/02/2018

Notice ID: 24570711

ELRC ADDRESS

Early Learning Resource Center for Region 5
305 Wood St.
Pittsburgh, PA 15222-1662

LEGAL HELP AVAILABLE AT:

NEIGHBORHOOD LEGAL SERVICES ASSOCIATION
CENTRAL OFFICE
928 PENN AVENUE
PITTSBURGH, PA 15222
(412) 255-6700

IF YOU HAVE CONCERNS ABOUT THE LEGAL AID ADDRESS LISTED, CONTACT THE ELRC TO DISCUSS WHETHER THERE IS ANOTHER OFFICE LOCATED CLOSER TO YOUR HOME OR WORK

YOUR RIGHT TO APPEAL TO A FAIR HEARING

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 Philadelphia for: Berks, Chester, Delaware, Montgomery, Philadelphia.
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 Wilkes-Barre for: Bradford, Carbon, Clinton, Columbia, Lackawanna, Luzerne, Monroe, Pike, Sullivan, Susquehanna, Tioga, Wayne, Wyoming.

Detach here

Detach here

IF YOU WISH TO APPEAL, COMPLETE AND RETURN TO THE ELRC THE INFORMATION BELOW.

Notice ID: 24570711

Please check one of the boxes to show which type of hearing you want: I want a telephone hearing. I want a face-to-face hearing.

Please check if you require any reasonable special accommodation because of a hearing impairment or other disability.

Please check if you need an interpreter. What language? _____

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I WANT TO REQUEST A HEARING BECAUSE: (Attach additional pages if necessary.) _____

Check here if you do not want your subsidized child care to continue at the current amount pending the hearing decision.

Parent / Caretaker Signature Address Telephone No. (between 8 A.M. and 5 P.M.) Date

Parent / Caretaker Rep. Signature Address Telephone No. (between 8 A.M. and 5 P.M.) Date

Family Learning Resource Center for Region 5
305 Wood St.
Pittsburgh, PA 15222-1982
(412) 281-2273
Toll-Free 1-800-392-3131

**CONFIRMATION
NOTICE**

Notice ID: 24570716

Page 1 of 4

ELRC RETURN ADDRESS CASELOAD: 0101

CO	RECORD	CAT
02		CC

DATE: 7/2/2019

ONE SAMPLE
18 RICHLAND LN
ADAMSBURG, PA 16501

IMPORTANT APPEALS INFORMATION IS ENCLOSED IN THIS PACKET

OUR OFFICE HAS TAKEN THE FOLLOWING ACTION CONCERNING YOUR CHILD CARE BENEFITS:

REDETERMINATION RESULTS

Name	Eligibility Status	Eligibility End Date
SAMPLE, ONE	Eligible Adult	N/A
SAMPLE, TWO	Eligible Adult	N/A
SAMPLE, THREE	Eligible Child	N/A

58 Pa.Code, You completed your redetermination and your family continues to be eligible for subsidized child care.
Chapter 3041, § Your co-payment amount is \$10.00.
3041.163(b)

SECTION B: Household Income

Name	Gross Annual	
SAMPLE, ONE	Earned	\$12,000.00
	Other	\$0.00
SAMPLE, TWO	Earned	\$12,000.00
	Other	\$0.00
SAMPLE, THREE	Earned	\$0.00
	Other	\$0.00
SUPPORT/ALIMONY		\$0.00
MEDICAL		\$0.00
GROSS ANNUAL INCOME		\$24,000.00
CALCULATED ANNUAL DEDUCTIONS		\$0.00
ADJUSTED ANNUAL INCOME		\$24,000.00

FAMILY SIZE 3

SECTION C: Appeal Information

APPEAL AND FAIR HEARING

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Detach here

Detach here

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APPLICANT NAME AND ADDRESS

ONE SAMPLE
18 RICHLAND LN
ADAMSBURG, PA 16501

Please correct your address here if necessary

CO	RECORD	CAT
02	9482651	CC

Worker Name: TESTAUTH21 T.
Telephone: (412) 261-2273
Date: 7/2/2018

Notice ID: 24570716

ELRC ADDRESS

Early Learning Resource Center for Region 5
305 Wood St.
Pittsburgh, PA 15222-1982

LEGAL HELP AVAILABLE AT:

NEIGHBORHOOD LEGAL SERVICES ASSOCIATION
CENTRAL OFFICE
928 PENN AVENUE
PITTSBURGH, PA 15222
(412) 255-6700

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Philadelphia for: Bucks, Chester, Delaware, Montgomery, Philadelphia.

Pittsburgh for: Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Clearfield, Fayette, Greene, Indiana, Jefferson, Lawrence, Somerset, Washington, Westmoreland.

Reading for: Berks, Lehigh, Northampton, Schuylkill.

Wilkes-Barre for: Bradford, Carbon, Clinton, Columbia, Lackawanna, Luzerne, Monroe, Pike, Sullivan, Susquehanna, Tioga, Wayne, Wyoming.

— Detach here —

— Detach here —

IF YOU WISH TO APPEAL, COMPLETE AND RETURN TO THE ELRC THE INFORMATION BELOW.

Notice ID: 24570716

Please check one of the boxes to show which type of hearing you want: I want a telephone hearing. I want a face-to-face hearing.

Please check if you require any reasonable special accommodation because of a hearing impairment or other disability.

Please check if you need an interpreter. What language? _____

NOTE: If you ask for an interpreter but later get your own interpreter, please call the Office of Hearings and Appeals (717) 783-3950

I WANT TO REQUEST A HEARING BECAUSE: (Attach additional pages if necessary.) _____

Check here if you do not want your subsidized child care to continue at the current amount pending the hearing decision.

Parent / Caretaker Signature	Address	Telephone No. (between 8 A.M. and 5 P.M.)	Date
------------------------------	---------	---	------

Parent / Caretaker Rep. Signature	Address	Telephone No. (between 8 A.M. and 5 P.M.)	Date
-----------------------------------	---------	---	------

Early Learning Resource Center for Region 6
135 Wood St.
Pittsburgh, PA 15222-1882
(412) 261-2273
Toll-Free 1-800-392-3131

**CONFIRMATION
NOTICE**

Notice ID: 24570719

Page 1 of 4

ELRC RETURN ADDRESS CASELOAD: 0101

CO	RECORD	CAT
02		CC

DATE: 7/2/2018

ONE SAMPLE
18 RICHLAND LN
ADAMSBURG, PA 18501

IMPORTANT APPEALS INFORMATION IS ENCLOSED IN THIS PACKET

OUR OFFICE HAS TAKEN THE FOLLOWING ACTION CONCERNING YOUR CHILD CARE BENEFITS:

SECTION 5102(b)(2)

Name	Eligibility Status	Eligibility End Date
SAMPLE, ONE	Eligible Adult	N/A
SAMPLE, TWO	Eligible Adult	N/A
SAMPLE, THREE	Eligible Child	N/A

55 Pa.Code, Chapter 3041, § 3041.104(e) Based on the information you provided, your co-payment has increased. You should begin to pay \$30.00 effective 07/11/2018.

SECTION 3: Household Income

Name	Gross Annual	
SAMPLE, ONE	Earned	\$12,000.00
	Other	\$0.00
SAMPLE, TWO	Earned	\$12,000.00
	Other	\$0.00
SAMPLE, THREE	Earned	\$0.00
	Other	\$0.00
SUPPORT/ALIMONY		\$0.00
MEDICAL		\$0.00
GROSS ANNUAL INCOME		\$24,000.00
CALCULATED ANNUAL DEDUCTIONS		\$0.00
ADJUSTED ANNUAL INCOME		\$24,000.00

FAMILY SIZE 3

APPEAL AND FAIR HEARING

If you disagree with our decision, you have the right to appeal. See attached explanation of your right to appeal.

Although you have 30 days from the date above to appeal, the ELRC must receive your written appeal on or before **07/16/2018** in order for your subsidized child care to continue pending the hearing decision.

If your subsidized child care continues and the Hearing Officer finds in favor of the Department you may be required to pay back the funding that was paid on your behalf for child care.

Detach here

Detach here

IF YOU WISH TO APPEAL, COMPLETE AND RETURN TO THE ELRC THE INFORMATION ON THE BACK OF THIS NOTICE.

APPLICANT NAME AND ADDRESS

ONE SAMPLE
18 RICHLAND LN
ADAMSBURG, PA 16501

Please correct your address here if necessary

CO	RECORD	CAT
02	9482651	CC

Worker Name:	TESTAUTH21 T.
Telephone:	(412) 261-2273
Date:	7/2/2018

Notice ID: 24570719

ELRC ADDRESS

Early Learning Resource Center for Region 5
305 Wood St.
Pittsburgh, PA 15222-1982

LEGAL HELP AVAILABLE AT:

NEIGHBORHOOD LEGAL SERVICES ASSOCIATION
CENTRAL OFFICE
928 PENN AVENUE
PITTSBURGH, PA 15222
(412) 255-6700

IF YOU HAVE CONCERNS ABOUT THE LEGAL AID ADDRESS LISTED, CONTACT THE ELRC TO DISCUSS WHETHER THERE IS ANOTHER OFFICE LOCATED CLOSER TO YOUR HOME OR WORK.

YOUR RIGHT TO APPEAL TO A FAIR HEARING

You have the right to appeal any Early Learning Resource Center (ELRC) agency or Departmental action or failure to act, and to have a hearing if you are dissatisfied with any decision to deny, discontinue or change your subsidized child care request.

If a change in your subsidized child care eligibility is caused by a State or Federal law, regulation or policy change, you may appeal the change; however you will not be granted a hearing unless you are appealing the correctness of your eligibility determination. If you are only challenging the law, regulation or policy, your appeal will be dismissed by the Department but may be appealed to a higher court.

At the hearing you can present to the Hearing Officer the reason you think the decision made by the ELRC is incorrect and present evidence or witnesses in your own behalf. You have the right to represent yourself or to have anyone represent you.

If you speak a language other than English and need an interpreter, please contact your ELRC so arrangements can be made to provide an interpreter.

If you and your representative would like to meet with the ELRC staff to discuss the matter informally or to present information which might change the proposed action, please call your ELRC worker. This will not delay or replace your fair hearing.

Your request for a hearing must be postmarked or received within 30 calendar days of the date of this notice. If your request is not received within the 30-day time limit, your appeal will be dismissed without a hearing.

HOW TO REQUEST A FAIR HEARING

To appeal and request a hearing you must put the appeal in writing as follows:

1. Include a copy of your notice.
2. Give a number where you can be reached.
3. Give your exact address.
4. Complete and return the bottom portion of the notice.

HEARING LOCATIONS

Erie for: Cameron, Clarion, Crawford, Elk, Erie, Forest, McKean, Mercer, Potter, Venango, Warren.

Harrisburg for: Adams, Centre, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Lycoming, Mifflin, Montour, Northumberland, Perry, Snyder, Union, York.

Philadelphia for: Bucks, Chester, Delaware, Montgomery, Philadelphia.

Pittsburgh for: Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Clearfield, Fayette, Greene, Indiana, Jefferson, Lawrence, Somerset, Washington, Westmoreland.

Reading for: Berks, Lehigh, Northampton, Schuylkill.

Wilkes-Barre for: Bradford, Carbon, Clinton, Columbia, Lackawanna, Luzerne, Monroe, Pike, Sullivan, Susquehanna, Tioga, Wayne, Wyoming.

Detach here

Detach here

IF YOU WISH TO APPEAL, COMPLETE AND RETURN TO THE ELRC THE INFORMATION BELOW.

Notice ID: 24570719

Please check one of the boxes to show which type of hearing you want: I want a telephone hearing. I want a face-to-face hearing.

Please check if you require any reasonable special accommodation because of a hearing impairment or other disability.

Please check if you need an interpreter. What language? _____

NOTE: If you ask for an interpreter but later get your own interpreter, please call the Office of Hearings and Appeals (717) 783-3950

I WANT TO REQUEST A HEARING BECAUSE: (Attach additional pages if necessary.) _____

Check here if you do not want your subsidized child care to continue at the current amount pending the hearing decision.

Parent / Caretaker Signature Address Telephone No. (between 8 A.M. and 5 P.M.) Date

Parent / Caretaker Rep. Signature Address Telephone No. (between 8 A.M. and 5 P.M.) Date

Early Learning Resource Center for Region 5
56 Wood St.
Pittsburgh, PA 15222-1982
(412) 261-2273
Toll-Free 1-800-392-3131

**CONFIRMATION
NOTICE**

Notice ID: 24670720

Page 1 of 4

ELRC RETURN ADDRESS CASELOAD: 0101

CO	RECORD	CAT
02		CC

DATE: 7/2/2018

ONE SAMPLE
18 RICHLAND LN
ADAMSBURG, PA 16501

IMPORTANT APPEALS INFORMATION IS ENCLOSED IN THIS PACKET

OUR OFFICE HAS TAKEN THE FOLLOWING ACTION CONCERNING YOUR CHILD CARE BENEFITS:

Name	Eligibility Status	Eligibility End Date
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SAMPLE, TWO	Eligible Adult	N/A
SAMPLE, THREE	Eligible Child	N/A

55 Pa.Code, Chapter 3041, § 3041.104(o) Based on the information you provided, your co-payment has decreased. You should begin to pay \$20 effective 07/11/2018.

SECTION B: Household Income

Name	Gross Annual	
SAMPLE, ONE	Earned	\$12,000.00
	Other	\$0.00
SAMPLE, TWO	Earned	\$12,000.00
	Other	\$0.00
SAMPLE, THREE	Earned	\$0.00
	Other	\$0.00
SUPPORT/ALIMONY		\$0.00
MEDICAL		\$0.00
GROSS ANNUAL INCOME		\$24,000.00
CALCULATED ANNUAL DEDUCTIONS		\$0.00
ADJUSTED ANNUAL INCOME		\$24,000.00
FAMILY SIZE		3

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APPLICANT NAME AND ADDRESS

ONE SAMPLE
18 RICHLAND LN
ADAMSBURG, PA 16501

Please correct your address here if necessary

CO	RECORD	CAT
02	9482651	CC

Worker Name: TESTAUTH21 T.
Telephone: (412) 261-2273
Date: 7/2/2018

Notice ID: 24570720

ELRC ADDRESS

Early Learning Resource Center for Region 5
305 Wood St.
Pittsburgh, PA 15222-1982

LEGAL HELP AVAILABLE AT:

NEIGHBORHOOD LEGAL SERVICES ASSOCIATION
CENTRAL OFFICE
928 PENN AVENUE
PITTSBURGH, PA 15222
(412) 255-6700

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 Philadelphia for: Bucks, Chester, Delaware, Montgomery, Philadelphia.
 Pittsburgh for: Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Clearfield, Fayette, Greene, Indiana, Jefferson, Lawrence, Somerset, Washington, Westmoreland.
 Reading for: Berks, Lehigh, Northampton, Schuylkill.
 Wilkes-Barre for: Bradford, Carbon, Clinton, Columbia, Lackawanna, Luzerne, Monroe, Pike, Sullivan, Susquehanna, Tioga, Wayne, Wyoming.

Detach here

Detach here

IF YOU WISH TO APPEAL, COMPLETE AND RETURN TO THE ELRC THE INFORMATION BELOW.

Notice ID: 24570720

Please check one of the boxes to show which type of hearing you want: I want a telephone hearing. I want a face-to-face hearing.

Please check if you require any reasonable special accommodation because of a hearing impairment or other disability.

Please check if you need an interpreter. What language? _____

NOTE: If you ask for an interpreter but later get your own interpreter, please call the Office of Hearings and Appeals (717) 783-3950

I WANT TO REQUEST A HEARING BECAUSE: (Attach additional pages if necessary.) _____

Check here if you do not want your subsidized child care to continue at the current amount pending the hearing decision.

Parent / Caretaker Signature Address Telephone No. (between 8 A.M. and 5 P.M.) Date

Parent / Caretaker Rep. Signature Address Telephone No. (between 8 A.M. and 5 P.M.) Date

ABSENCE WARNING LETTER

Early Learning Resource Center for Region 3
Address Line 1 ELRC 3
Address Line 2 ELRC 3
City ELRC 3, PA 15834-0389
(814) 486-1161
Toll-Free 1-800-638-4670

Worker Name: TESTAUTH21 T.
Phone Number: (814) 486-1161

CO RECORD
10

Date: 4/16/2018

Sample

Dear

You continue to be eligible for subsidized child care enrollment, but your child, HAILEY M. WILSON, has been absent for 21 enrollment days.

The maximum number of absent days allowed in a State Fiscal Year (FY) is 25 days.

The State FY begins July 1 of one year and ends June 30 of the following year.

If the child listed above exceeds absent days in a State FY, you will be required to pay your child care provider, the provider's daily rate for your child's days of absence starting with Day of your child's absences. You must pay the provider's daily rate in addition to your weekly co-payment.

We suggest that you ask your child care provider about the child's daily rate so you can prepare for the additional amount you will owe if the child listed above exceeds 25 absent days in a State FY.

If you have any questions or would like to make any changes in the enrollment schedule for above telephone number.

please call us at the

Sincerely,

Early Learning Resource Center for Region 3

Cc: BUTLER CO FAMILY YMCA DAY.

Early Learning Resource Center for Region 5
 305 Wood St
 Pittsburgh, PA 15222
 (412) 261-2273
 Toll-Free 1-800-382-3131

CHILD CARE ENROLLMENT CONTRACT

PARENT/GARETAKER

ONE SAMPLE
 18 RICHLAND LN
 ADAMSBURG, PA 16601

CASE IDENTIFICATION

CO	DIST/OFFICE	RECORD NUM	CASE/LOAD ID
02	Allegheny	[REDACTED]	101

ONE SAMPLE
 18 RICHLAND LN
 ADAMSBURG, PA 16601

PROVIDER INFORMATION

PROVIDER ID	PROVIDER TYPE	PROVIDER LEGAL ENTITY	PROVIDER LOCATION
[REDACTED]-1	Center	SUNSHINE AND STARS CHILD CARE LLC	SUNSHINE AND STARS CHILD C
LOCATION ADDRESS			
132 W SUNNY BLVD W LAWN, PA 19609			
TELEPHONE NUMBER			
(610) 222-2222			

CHILD INFORMATION AS OF: 07/09/2018

CHILD NAME SAMPLE, THREE	INDIVIDUAL # [REDACTED]	HS ENROLLED No
WEEKLY CO-PAY AMOUNT \$0.00	CARE LEVEL Preschool	PRE-K ENROLLED No
ENROLLMENT BEGIN DATE WITH THIS PROVIDER 06/01/2018	TOTAL FY ABSENCES 0 as of 07/01/2018	
REASON New enrollment - effective 07/11/2018		
ADDITIONAL INFORMATION		

CHILD'S SCHEDULE

EFFECTIVE DATE: 07/09/2018

Standard Schedule

Unit Type	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Week 1:							
Unit of Care	FT	FT	FT	FT	FT		
Exceptions							
Week 2:							
Unit of Care	FT	FT	FT	FT	FT		
Exceptions							
Week 3:							
Unit of Care	FT	FT	FT	FT	FT		
Exceptions							
Week 4:							
Unit of Care	FT	FT	FT	FT	FT		
Exceptions							

FT - Full-time, 8 or more hours
 PT - Part-time, less than 8 hours
 SUS - Suspended
 NFT - Non-traditional full-time, 8 or more hours
 NPT - Non-traditional part-time, between 3 and 8 hours
 PC - Provider Paid Closure
 NPC - Provider Non-Paid Closure

Average anticipated weekly cost of care (Based on 4 weeks shown above)	\$138.00
Less Average weekly co-pay (Based on 4 weeks shown above)	\$0.00
Average estimated weekly payment amount (Based on 4 weeks shown above)	\$138.00

FUNDS AVAILABLE LETTER

Early Learning Resource Center for Region 10
Address Line 1 ELRC 10
Address Line 2 ELRC 10
City ELRC 10, PA 16801-3007
(814) 231-1352
Toll-Free 1-888-440-2247

Worker Name:
Phone Number: (814) 231-1352

CO RECORD
67

Date : 05/01/2018

Dear ,

Effective 05/01/2018, funds are available for

You must call our office at the number listed above to schedule a face-to-face meeting and enroll no later than 05/31/2018. Failure to enroll your child and meet the face-to-face requirement will affect your eligibility to receive subsidized child care.

If you plan to use a Relative provider, you must supply the Relative provider's name, address and telephone number immediately. In order for our office to enroll the child with a Relative provider, the Relative provider must meet specific requirements by the date shown above. If the Relative provider does not comply timely, you must select an approved child care provider in order to maintain your child's eligibility for subsidized child care.

If you need help in locating a regulated child care provider that meets your family's needs please contact the ELRC to discuss what resource and referral services are available.

Sincerely,

Early Learning Resource Center for Region 10

FUNDS NOT AVAILABLE LETTER

Early Learning Resource Center for Region 10
999 Main Street
Lancaster, PA 17603
(717) 555-5555
Toll-Free 1-800-555-5555

Worker Name TESTAUTH21 T
Phone Number: (717) 555-5555

CO RECORD
36

Date: 06/22/2018

Dear ,

Effective 06/15/2018, has been placed on the waitlist.

The ELRC will contact you when funds are available.

Sincerely,

Early Learning Resource Center for Region 10



PATIENT NAME: _____

SECTION TWO: Must be completed by a physician or psychologist.

The following information will be used by the Early Learning Resource Center to assess your patient's eligibility for subsidized child care.

1. Diagnosis - condition causing the disability:

2. Is the disability permanent? Yes No

3. Ability to work or participate in an education or training program:
 - The patient's condition **DOES NOT PROHIBIT** him/her from working or participating in an education or training program.
 - The patient's condition **DOES PROHIBIT** him/her from working or participating in an education or training program.

How does the condition affect the patient's ability to work or participate in education or training?

4. Expected date the inability to work or participate in an education or training program will end: _____/_____/_____

5. Ability to care for the child(ren) for whom subsidy is requested:

Names and ages of patient's children:

 - The patient's condition **DOES NOT PROHIBIT** him/her from providing care for the child(ren) for whom subsidy is requested.
 - The patient's condition **DOES PROHIBIT** him/her from providing care for the child(ren) for whom subsidy is requested.

How does the condition affect the patient's ability to provide care for the child(ren) for whom the subsidy is requested?

6. Expected date the inability to provide care for the child(ren) for whom the subsidy is requested will end: _____/_____/_____

7. The date of last examination: _____/_____/_____

8. Date of next scheduled appointment: _____/_____/_____

PREPARED BY:	
PRINTED NAME OF PHYSICIAN OR PSYCHOLOGIST:	TITLE:
ADDRESS:	TELEPHONE: () _____ - _____
SIGNATURE OF PHYSICIAN OR PSYCHOLOGIST:	DATE COMPLETED FORM: _____/_____/_____



PATIENT NAME:

EARLY LEARNING RESOURCE CENTER:	EARLY LEARNING RESOURCE CENTER RECORD NUMBER:
---------------------------------	---

EARLY LEARNING RESOURCE CENTER STAFF NAME & TITLE:

SECTION ONE: Must be completed by the parent with the disability.

PLEASE PRINT CLEARLY - Be sure to sign your name and date the form in the appropriate space below.

NAME (First, M.I., Last):	DATE OF BIRTH:
---------------------------	----------------

ADDRESS:

STREET	CITY	STATE	ZIP CODE
--------	------	-------	----------

I authorize and request the disclosure to the Early Learning Resource Center (ELRC), acting on behalf of the Department of Human Services, any medical/clinical information as necessary for the ELRC to assess my eligibility for the subsidized child care program.

X _____ X _____
SIGNATURE OF PARENT WITH A DISABILITY DATE

A physician or psychologist must complete section two of this form.
Return the completed form to the Early Learning Resource Center listed below.

RETURN TO:

WAITING LIST FUNDS AVAILABLE LETTER

Early Learning Resource Center for Region 10
999 Main Street
Lancaster, PA 17603
(717) 555-5555
Toll-Free 1-800-555-5555

Worker Name: TESTAUTH21 T.
Phone Number: (717) 555-5555

CO RECORD
36

Date: 07/02/2018

Dear

Effective 07/02/2018, funds are available for

You must call our office at the telephone number listed above to schedule a face-to-face meeting and enroll no later than 08/01/2018. Failure to enroll your child and meet the face-to-face requirement will affect your eligibility to receive subsidized child care.

If you plan to use a Relative provider, you must supply the Relative provider's name, address and telephone number immediately. In order for our office to enroll the child with a Relative provider, the Relative provider must meet specific requirements by the date shown above. If the Relative provider does not comply timely, you must select an approved child care provider in order to maintain your child's eligibility for subsidized child care.

If you need help in locating a regulated child care provider that meets your family's needs please contact the ELRC to discuss what resource and referral services are available.

Sincerely,

Early Learning Resource Center for Region 10

CDL-1



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

RECEIVED

MAR 23 2023

**Independent Regulatory
Review Commission**

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 here by certified to be a true and correct copy of a document issued, prescribed or promulgated by:</p> <p>DEPARTMENT OF HUMAN SERVICES (AGENCY)</p> <p>DOCUMENT/FISCAL NOTE NO. <u># 14-545</u></p> <p>DATE OF ADOPTION: _____</p> <p>BY:  _____</p> <p>TITLE <u>SECRETARY OF HUMAN SERVICES</u> (EXECUTIVE OFFICER, CHAIRMAN OR SECRETARY)</p>	<p>Copy below is hereby approved as to form and legality. Executive or Independent Agencies.</p> <p>BY:  _____</p> <p><u>March 17, 2023</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 FINAL-FORM RULEMAKING

DEPARTMENT OF HUMAN SERVICES

OFFICE OF CHILD DEVELOPMENT AND EARLY LEARNING

[55 Pa.Code Chapter 3042]

Subsidized Child Care Eligibility

**FINAL-FORM RULEMAKING
OFFICE OF CHILD DEVELOPMENT AND EARLY LEARNING
[55 PA. CODE CH. 3042]**

Subsidized Child Care Eligibility

The Department of Human Services (Department) rescinds and reserves Chapter 3041, and adopts in its place Chapter 3042 (relating to subsidized child care eligibility) to ensure ongoing compliance with the requirements under the Federal Child Care and Development Block Grant of 2014 (42 U.S.C.A. §§ 9857—9858r, as reauthorized by Pub. L. No. 113-186) (CCDBG), as set forth in Annex A.

Effective Date

This final-form rulemaking will take effect upon publication in the *Pennsylvania Bulletin* as final-form or on July 1, 2023, whichever is later.

Contact Persons

For further information, contact Michael Ordonez, Program Representative, Bureau of Early Learning Policy and Professional Development, 333 Market Street, 6th floor, Harrisburg, PA, 17126-2210, (717) 265-8906; or Jessica Sands, Chief, Division of Policy, Bureau of Early Learning Policy and Professional Development, 333 Market Street, 6th floor, Harrisburg, PA, 17126-2210, (717) 787-8082. Persons with a disability who require an auxiliary aid or service may use the Pennsylvania AT&T Relay Service at (800) 654-5984 (TDD users) or (800) 654-5988 (voice users).

Statutory Authority

This final-form rulemaking is authorized under sections 201(2), 403(b), 403.1 of the Human Services Code (62 P.S. §§ 201(2), 403(b) and 403.1), which grants the Department the authority to adopt rules and regulations relating to subsidized child care eligibility. Notice of proposed rulemaking was published in the *Pennsylvania Bulletin* at 50 Pa. B. 6361 (November 14, 2020).

Background and Purpose

The purpose of this final-form rulemaking is to update the Department's requirements for the Child Care Works (CCW) program, which is the Department's subsidized child care program. This final-form rulemaking will ensure the Commonwealth's continued compliance with the requirements under the CCDBG and allow the Commonwealth to continue to receive Child Care and Development Funds (CCDF). The CCDBG, along with Section 418 of the Social Security Act (42 U.S.C.A. § 618), authorizes the CCDF. The CCDF is the primary Federal funding source devoted to assisting low-income families that are working or participating in education or training activities with paying for child care and improving the quality of child care for all children. Subsidized child care is a benefit made available through limited Federal and State funds. These final-form regulations provide the eligibility criteria a parent or caretaker must satisfy to obtain and maintain assistance with child care costs through the CCW program. These final-form regulations also set forth the procedures the eligibility agency shall follow in administering the CCW program.

The Department last amended the subsidized child care eligibility regulations in 2012. Since that time, the CCDBG was updated, and now several of the Department's codified regulations, including the minimum eligibility periods, no longer mirror the CCDBG

requirements. Because of the many changes under the reauthorized CCDBG, the Department is replacing its previous regulatory chapter, Chapter 3041, with a new updated Chapter 3042. This final-form rulemaking is, therefore, needed to satisfy the updated requirements as set forth in the CCDBG, which includes minimum 12-month eligibility periods, continuous eligibility irrespective of increases in earnings (within the Federal eligibility limit of 85% of the State Median Income (SMI)), and temporary changes in work, education or training during the 12-month eligibility period.

Additional changes consistent with CCDBG requirements also include establishing periods of presumptive continued eligibility at redetermination for a parent or caretaker who will be starting the parent or caretaker's job within 92 days of the redetermination date; prohibiting subsidy enrollments at a provider for whom the Department has revoked or refused to renew a certificate of compliance; allowing a parent or caretaker receiving subsidized child care services the same option as private-pay parents or caretakers to elect to hold their child back from attending kindergarten for one additional year; increasing the total number of paid absences per year; and permitting parents or caretakers to substitute the time spent in a training program or programs as counting toward the 20-hour-per-week work requirement. The final-form rulemaking is therefore consistent with all CCDBG requirements.

Public Comment

Following the publication of proposed rulemaking, the Department received comments from 18 commentators during the 30-day public comment period and 2 letters from commentators after the close of the public comment period. The comments came from 9 child care operators and 11 advocacy organizations. The Department notes that one commentator, the

Pennsylvania Child Care Association, provided a comment that was received twice, and so they were duplicates. The majority of comments voiced general approval for the Department's rulemaking. There were several comments that noted disagreement in specific areas or that stated suggestions for specific changes as further discussed below and in the Department's Comment and Response document.

During the public comment period, the Department received extensive comments from the Community Justice Project (CJP) about several areas of the rulemaking. After close of the public comment period, the Department also received comments from the Independent Regulatory Review Commission (IRRC), some of which echoed the comments received from CJP as well as other commentators. Also following public comment, the Department met via video-conference with CJP on four occasions to discuss their feedback. Specifically, the Department met with CJP on March 9, March 18, March 30, and April 6, 2021, during which times the Department and CJP jointly reviewed and discussed all of CJP's written comments.

The major comments received on the proposed rulemaking are summarized below. In addition, to specifically address all comments received during the public comment process, the Department created a separate comment and response document, which is available on the Department's web site located at [https:// www.dhs.pa.gov/Services/Children/Pages/Child-Care-Works-Program.aspx](https://www.dhs.pa.gov/Services/Children/Pages/Child-Care-Works-Program.aspx). The Department also filed the separate comment and response document with IRRC, the legislative committees, the Legislative Reference Bureau and the commentators along with this final-form rulemaking.

Discussion of Comments and Major Changes

The Department revised this final-form regulation in response to and in consideration of the comments received from commentators and the Independent Regulatory Review Commission (IRRC). The Department finds that IRRC summarized the major comments noted by commentators. As a result, the Department will use IRRC's comments as a blueprint for discussion of the major comments received. The following provides a summary of the major changes from the proposed rulemaking to the final-form rulemaking, followed by a section-by-section description of the final-form provisions.

1. General Provisions; Definitions

IRRC provided feedback on the definitions of "family," "fraud," "homelessness," "maternity or family leave," "period of presumptive eligibility," "prospective work, education or training," "self-declaration," and "training."

For "family," IRRC requested for that definition to be revised to include all types of training. The Department revised the definition as requested to include adult basic education, English as a second language course work, a high school or a GED program, an HSE degree, an internship, clinical placement, apprenticeship, lab work or field work required by a training institution, or a post-secondary program leading to a degree, diploma or certificate.

For "fraud," citing to a commentator's question asking if a parent or caretaker commits fraud when income exceeding 85% of the SMI is not reported during the eligibility period and a child continues to receive subsidized care, IRRC requested for the Department to explain whether that is fraud and to clarify, if necessary, the definition of "fraud".

Fraud is not committed when income exceeding 85% of the SMI is not reported during the eligibility period. Further, the language “at the time of application or redetermination” limits the definition of “fraud” to those specific instances, which more clearly involve affirmative representations of income. Instead, situations involving a parent or caretaker whose income exceeds 85% of the SMI during the eligibility period while continuing to receive subsidized care are treated as an overpayment. *See* §§ 3042.172 and 3042.176 (relating to eligibility agency responsibilities regarding overpayment; and collection). As such, the Department declines to make the suggested changes.

For “homelessness,” IRRC recommended revisions to include the child’s parent or caretaker. In response, the Department made the requested revision, and noted that inclusion of parents and caretakers in the definition is consistent with the CCDF’s usage of homelessness because the CCDF references homeless families, which includes the child and the child’s parent or caretaker. *See* 45 CFR § 98.51.

For “maternity or family leave,” the Department removed the term from the final-form rulemaking because the term was removed from all but one instance of usage following changes made in §§ 3042.19 and 3042.147 (relating to subsidy continuation; and presumptive continued eligibility at redetermination). *See* § 3042.68(3) (relating to verification of circumstances relating to a decrease in co-payment). After review of that provision (3042.68(3)), the Department determined the plain usage of the wording clearly prescribes the requirement. Similarly, the Department removed the term “owner or operator of a child care facility” because the term was not used as such in the previous chapter’s requirements, the proposed rulemaking, or this final-form rulemaking.

For “period of presumptive eligibility,” IRRC requested that the substantive language be removed from the proposed definition and placed into the body of the regulations. In response, the substantive timing provisions from the proposed definition of “period of presumptive eligibility” were revised in the final-form definition and were added to § 3042.147(a) to clarify that a period of presumptive eligibility is temporary and shall not exceed 92 calendar days from the date of the redetermination. Notably, IRRC’s comment for “period of presumptive eligibility” also applies to the timeframes in the proposed definitions of “prospective work, education and training” and “self-declaration.” As such, the Department made changes to clarify that prospective work, education and training refers to future employment, education or training that has a begin date and is verified by the employer, school official or training official. Further, the Department made changes to § 3042.34(a)(1) so that the 30-day time limit is stated with reference to the date the parent or caretaker signs and dates the application for subsidized child care, as well as changes to § 3042.34(a)(2) to ensure consistency with the definition of “prospective work, education or training,” which must be verified by the employer, school official or training official. Similarly, the Department made changes to the definition of “self-declaration” to remove the timeframe from the definition and to clarify that it refers to a written statement that is signed and dated and provided by the parent or caretaker for the purpose of establishing financial or nonfinancial eligibility pending verification as described under § 3042.64 (relating to self-declaration).

For “training,” IRRC requested for the definition to be clarified to include additional types of adult education and postsecondary study and asked if it was necessary to specify the length of time for a postsecondary degree program. IRRC cited to a commentator who observed the definition did not include the two most common forms of adult education – GED and HSE

programs. In response, the Department made changes to remove the timeframe for the postsecondary degree program and to add GED and HSE to the final-form definition. Similarly, and in response to a public comment, the Department made changes to the definition of “education” to include GED and HSE programs. The Department notes that the acronyms “CRNP,” GED,” “HSE” were added on final-form because the acronyms are used in more than one section of the final-form rulemaking.

In addition, the term “personal interview” was added on final-form following feedback from several commentators about the importance of removing barriers for parents or caretakers who struggle to participate in the face-to-face meetings and allowing telephone contact to satisfy the face-to-face requirement. The Department notes especially that telephone contact may satisfy the requirement, and so the requirement does not require in-person meetings. As such, the term “face-to-face” is outdated and misleading because a face-to-face meeting implies an in-person meeting. The Department made changes to clarify the terminology and better state the requirements in response to public comments about removing barriers for parents or caretakers. Specifically, the Department defined the term “personal interview” in § 3042.3, which refers to an informational meeting held between the eligibility agency and the parent or caretaker, which can take place either in person, by telephone, or by other means approved by the Department. The added term, and its definition, is consistent with terminology used elsewhere in the Department’s regulations. *See* 55 Pa. Code §§ 123.22 and 133.23 (relating to definitions). These changes will improve access for parents and caretakers by ensuring that personal interviews are conducted within 30 calendar days in a manner and format best suited to the parent or caretaker’s needs, availability, and personal circumstances. The Department updated all references to “face-to-face meeting” in the final-form rulemaking with the term “personal interview” to clarify that a

meeting can take place in person, by telephone, or by other means approved by the Department. The changes in terminology were made in §§ 3042.56, 3042.63, 3042.114, 3042.115, and 3042.117. These changes remove barriers for parents and caretakers by clearly stating there are multiple methods to complete a personal interview, including flexibilities to benefit parents and caretakers that may not be available for a face-to-face meeting as previously required.

As a result of the change in terminology to “personal interview,” the Department determined that the proposed § 3042.56(e) was no longer necessary. This subsection was removed on final-form, and the provisions were reordered accordingly. Because subsection (e) was removed, proposed § 3042.56(f) was changed to § 3042.56(e). Similarly, the Department updated the headings for §§ 3042.56 and 3042.114 (relating to personal interview; and personal interview requirements for former TANF families) to reflect the clarified personal interview requirements.

2. Parent Choice and Payment of Provider Charges

IRRC inquired how does the Department ensure that relatives who are providing child care meet the Department’s standards. Further, IRRC inquired how does the Department implement the goals of quality of care under § 3042.12 (relating to parent choice) and how do the procedures ensure the protection of the public health, safety and welfare. As provided under subsection 3042.12(a), a family may choose child care from a provider that agrees to comply with the Department’s standards for provider participation. As part of this agreement, all relative providers must enter into and follow the terms of the Department’s Relative Provider Agreement (Agreement) to receive payment from CCDF funds. The Agreement requires that relative providers meet State Child Abuse, National Sex Offender Registry Check, and Federal and State

Criminal History Requirements prior to approval and every 60 months thereafter, which aligns with requirements for providers at regulated child care facilities and the CCDBG. Relatives must obtain Federal criminal clearances at their own expense, which is approximately \$23.00, and the costs of the other required clearances are addressed in the Agreement. The Department notes that costs relating to criminal history clearances are not new and are outside this final-form rulemaking. Pursuant to the Agreement, the relative provider must give the eligibility agency written notice no later than 72 hours after their or anyone in the household's arrest, conviction, or notification of being listed as a perpetrator of child abuse in the Central Register.

The Agreement also requires compliance with health and safety practices relating to handwashing, diapering, toileting, and the preparation and handling of food. Additionally, all relative providers must complete 3 hours of approved mandated reporter training prior to approval, and that such training must be completed every 5 years. The relative provider must submit the certificate of completion along with the results of the federal criminal history clearance to the eligibility agency at the personal interview. Also, the Agreement requires that the relative provider's home have a working smoke detector on each level in which child care is provided, and that conditions in the home not pose a threat to the health and safety of children in care. The requirement is consistent with the requirements of section 1016 of the act of June 13, 1967 (P.L. 31, No. 21) known as the Human Services Code (62 P.S. § 1016). The Agreement further requires that cleaning and toxic materials shall be stored in their original labeled containers or in a container that specifies the contents; kept in a locked area or in an area where children cannot reach them; and kept separate from food, the areas where food is prepared or stored, and the areas where child care takes place. Also, any weapon or firearm must be kept in a locked cabinet; any ammunition must be kept in a separate, locked area; and the relative provider

must tell the child's parent or caretaker that weapons, firearms, or ammunition are in the provider's home. The Agreement requires that the relative provider not use any form of punishment, including spanking; and that the parent or caretaker be allowed to see their child at any time the provider is providing care. The requirements in the Agreement satisfy CCDF requirements, and they are consistent with several of the prescribed requirements for child care providers at regulated facilities. These requirements all ensure that children receiving subsidized child care services from a relative provider receive at least the same quality of care as children enrolled at regulated child care facilities.

The Department notes that the Agreement for relative providers has been in use for over 15 years, and that the terms ensure the protection of the public health, safety, and welfare of children receiving subsidized child care services both initially and on an ongoing basis by ensuring substantially the same standards for quality of care as are provided for at regulated child care facilities. Finally, these provisions under § 3042.12 are consistent with the existing provisions under Chapter 3041.

Next, for § 3042.14 (relating to payment of provider charges), IRRC noted that the proposed rulemaking prohibited new subsidy enrollments but that the Department would continue paying for current enrollments at providers who are not meeting basic health and safety requirements. IRRC asked for explanation of the reasonableness of the requirement, noting that:

“...this section does not allow new enrollments ‘when the Department determines the provider is not meeting health and safety requirements, and revokes or refuses to renew the provider's certificate of compliance.’ The Department goes on to say that to ‘provide continued stability and support already established staff and child relationships, the Department will continue to pay for children who are currently

enrolled at the time of the sanction.’ We ask the Department to explain in the Preamble to the final-form regulation the reasonableness of this subsection and how it protects the public health, safety and welfare of children currently receiving care at these facilities. We will review the Department’s answer when determining if this regulation is in the public interest.”

After careful consideration, the Department made changes to §§ 3042.12 and 3042.14(g) to ensure subsidy dollars are not paid to providers whose certificate of compliance has been revoked or refused to renew by the Department’s Bureau of Certification Services, which is responsible for enforcing the Department’s health and safety standards. Specifically, the Department added a subsection under § 3042.12 and removed the word “new” from § 3042.14(g) to ensure that limited public funds are not being paid to providers who cannot meet baseline health and safety standards. The added subsection under § 3042.12 makes clear that the Department may *suspend* the subsidy and will not terminate the subsidy, and so there is no impact to a family’s eligibility, which will continue for the balance of the 12-month period. This change strikes the appropriate balance between ensuring parent choice and ensuring that scarce public dollars are not being paid to facilities that do not satisfy baseline health and safety requirements. Also, parents are free to choose child care services at another provider who is meeting baseline health and safety requirements. The Department will assist these families with locating another provider to ensure continuity of care. Currently, the Department already assists families with locating another provider in cases where an emergency revocation to a facility is issued because circumstances at the facility justify immediate closure and removal of the children from care.

As for the numbers of families these changes will impact, the Department conducted a review of the instances of revocations and refusals to renew for state fiscal year (SFY) 2021-2022, and after review, the Department noted there were approximately 31 revocations or refusals to renew that impacted on 447 enrollments. Notably, not all certified child care providers participate in the CCW program. For SFY 2021-2022, the numbers of facilities issued revocations or refusals to renew were 20 child care centers, 3 group child care homes, and 8 family child care homes. The Department notes the bulk of the enrollments, 428, were located in child care centers, and the noted facilities were located in various regions throughout the Commonwealth. The Department also notes that it upholds health and safety protections for children in care throughout this Commonwealth irrespective of the provider type, the provider regional location, and whether a provider participates in the CCW program. The fiscal impact to providers and the impacts on parent choice for families are outweighed by ensuring that public funds are directed to providers meeting basic health and safety requirements to ensure the protection of the health and safety of this Commonwealth's most vulnerable and disadvantaged children, as consistent with the CCDF. The Department reiterates that it will assist impacted families with locating another provider to ensure continuity of care and parent choice. Further, only providers whose certificate of compliance has been revoked or refused to renew by the Department's Bureau of Certification Services will be impacted because the Department will no longer pay for CCW program enrollments at these providers. The Department notes these providers can still provide services to private-pay families should the provider choose to appeal the Department's revocation or nonrenewal determination. The Department reiterates the statements from the preamble of the federal regulation, that "we cannot in good conscience continue to use any federal taxpayer dollars to support sub-standard child care for our nation's

most vulnerable and disadvantaged children.” The change is also consistent with the methods of administration of funds by the Department under the American Rescue Plan Act because subsidy funds are public dollars that should not be paid to providers who are not meeting baseline health and safety requirements. The Department notes that an eligible provider refers to a provider that is certified and that “meets applicable State and local health and safety requirements.” See definition of “eligible child care provider,” § 2201 of the American Rescue Plan Act of 2021, 15 U.S.C.A. § 9001. Further regarding any lost enrollments, the Department is clarifying that the cost is speculative and varies depending on the provider type as well as the numbers of enrolled children who are receiving subsidized child care services. In addition, any fiscal impact due to lost enrollments are the result of the facility’s failure to comply with the Department’s licensure regulations and not this final-form regulation.

The Department also received feedback from four commentators who suggested that the Department temporarily prohibit subsidy enrollments at the Department’s discretion in cases where there is a complaint investigation involving the serious physical injury of a child, the sexual assault of a child, the death of a child, and any other egregious acts that put the safety of children into question. Specifically, the commentators stated that “we would support the Department having the authority to temporarily prohibit subsidy enrollments at their discretion in consideration of current complaint investigations involving the serious physical injury of a child, sexual assault of a child, death of a child, etc.” The Department thanks the commentator for this comment. The Department’s Bureau of Certification Services immediately initiates complaint investigations involving all allegations impacting on health and safety, and further, the Bureau will always issue an emergency revocation sanction upon investigation as legally warranted by the facts and circumstances. Notably, an investigation is not by itself a determination of

noncompliance or wrongdoing. After careful consideration, the Department declines the suggested prohibition because of potential due process concerns during the investigatory phase.

Further regarding provider charges under § 3042.14(d) (relating to payment of provider charges), two commentators disagreed with the provider being permitted to charge the difference between the provider's published rate and the Child Care Works (CCW) payment rate. One of the commentators noted that paying the difference between the CCW payment rate and the private rate "is a problem that should be addressed through tiered reimbursement along with regular and adequate upgrades to DHS's provider payment rate" and not made up for by billing low-income parents or caretakers to make up the difference. The commentator continued, noting the provision as it exists "also undermines parent choice of providers, arguably in violation of DHS and federal policy establishing the rights of parents to entrust the care of their children to the child care provider of their choice."

After careful consideration, the Department agrees with this comment and deleted subsection (d). The Department notes that "as CCDF assistance is intended to offset the disproportionately high share of income that low-income families spend on child care in order to support parents in achieving economic stability, CCDF families should not be expected to pay a greater share of their income on child care than reflects the national average." Although the Department has codified the lowered maximum annual co-payment rate in § 3042.98 (relating to co-payment determination) to the federal benchmark of 7% in this final-form rulemaking, the Department agrees with the concerns regarding additional charges. The purpose of low annual co-payment change is to ensure that low-income families do not pay a disproportionately higher share of their income on child care than reflects the national average. Although the Department recognizes that removal of subsection (d) may result in a fiscal impact to providers of subsidized

child care who charge the difference between the CCW payment rate and the rate charged to private pay families in the form of lost potential additional revenue, the Department is balancing the interests between providers and families. The lost potential additional revenue to the regulated community is converted into savings for families who are receiving subsidized child care services and being charged the difference. The lowered annual maximum copayment rate results in the Department assuming a higher portion of the total cost; therefore, the provider receives more of the CCW reimbursement from the Department. This reduces the provider's risk of having to deal with a potentially higher level of delinquent copayment from families. The Department determined that permitting § 3042.14(d) to remain runs contrary to the intent of CCDF assistance because it permits additional charges to low-income families, thereby undermining the goal of supporting low-income parents to achieve economic stability. The overriding concern with this final-form rulemaking was to align the Department's requirements with the requirements of the CCDBG. The Department notes that compliance with CCDBG requirements is critical to ensure the Commonwealth continues to receive federal funds. The Department notes that after review of data concerning equal access and affordability, as required by the CCDF, the Department determined there were remaining concerns over being able to demonstrate that by permitting the practice under § 3042.14(d), that doing so promotes affordability and access. *See* 45 CFR § 98.45 (relating to equal access). The Department determined that permitting this provision to remain is substantially outweighed by the direct costs to the Department, this Commonwealth, and to families across the Commonwealth if the provision is not removed because the Department could incur a fiscal penalty from the federal Administration for Children and Families, Office of Child Care. The provision was therefore removed on final-form.

As to the maximum co-payment amount, the Department is codifying the existing co-payment limitation and there is no resulting fiscal impact under the final-form regulation. Further, the Department pledges to continue to work toward ensuring the CCW payment rate provides equal access to child care for low-income families. *See* 63 FR 39959 (July 24, 1998). As well, the Department notes that providers who wish to provide higher quality child care through the Keystone STARS program may be eligible for assistance with costs. This codified limit continues to benefit families who will no longer be faced with paying a greater share of their income on child care than reflects the national average. The Department is further emphasizing that there have been rate increases two times during the time of preparing this final-form rulemaking that have been made possible through funds from the American Rescue Plan Act of 2021. Finally, the Department notes that Pennsylvania was awarded \$452 million in discretionary funding from the American Rescue Plan Act, and that the Administration for Children and Families, Office of Child Care provided to the Department recommendations on the use of those funds. Consistent with the recommendations, a total of \$121.9 million is being used over 4 fiscal years to support the codified reduced family co-payments for the CCW program. This funding is projected for allocation for fiscal years 2021-2024. Similarly, the increased subsidy base rates are funded through the same ARPA program.

3. Subsidy Limitations, Suspension, and Financial Eligibility

IRRC first requested explanation for how the Department will implement the limitation for operators under § 3042.15(c) (relating to subsidy limitations), and for how the Department determines whether space is available to enroll the child of a parent or caretaker who is the operator of a child care facility, citing to a commentator who expressed concern with the requirement, noting an employee who was denied subsidized child care. IRRC requested

explanation as well for how a facility will be economically impacted and the reasonableness of the requirement.

In response to the comments received, the Department made changes to § 3042.15(c) to clarify that a child who is receiving care in a child care facility that is owned by the child's parent or caretaker is not eligible for subsidized child care services. The changes removed references to the availability of space because the concern is only whether a parent or caretaker is being paid to care for their own child, which runs contrary to the definition of "child care." As defined under the final-form rulemaking under § 3042.3 (relating to definitions), "child care" is "care instead of parental care for part of a 24-hour day." To avoid confusion and better clarify this requirement, the Department has removed the term "owner or operator of a child care facility" from § 3042.3 because the term was not used in this rulemaking.

In response to the inquiry regarding economic impact and implementation of this revised provision, the final-form subsection is narrowly tailored such that it pertains only to situations where a parent or caretaker is the owner of a certified child care facility. To the extent there is such an impact, the Department determines that the cost is outweighed by the fact that subsidy dollars are scarce, public funds, and so this final-form subsection prohibits only situations in which the owners of certified child care facilities are paid subsidy dollars to care for their own children. Operators may still receive subsidy funding for children in care who are not their own children. Further, the final-form language expands eligibility because the subsidy limitation only relates to a child receiving care in a facility owned by an eligible child's parent or caretaker. If otherwise eligible, subsidized child care may be received at a different facility.

Second, regarding final-form §§ 3042.15(d) and 3042.57(c), which are substantively the same, IRRC requested clarification. Specifically, IRRC asked first, why the 30-day requirement

is reasonable; second, how parental choice is accommodated; and third about implementation procedures for granting exceptions. IRRC also cited to commentators who expressed concerns over parent choice and requested changes to ensure that a child maintains eligibility when circumstances beyond a parent or caretaker's control prevent enrollment in child care.

Thirty days is a reasonable timeframe to enroll a child with a child care provider because a parent or caretaker is working or is enrolled in training or education and is in need of child care. In many instances, a family already has a provider that they are using, and they only need assistance paying for the case. In other situations, the family knows what provider they want to enroll the child with, but again, has not been able to do so because of financial circumstances. Families are eligible for subsidized child care because they are working or enrolled in education or training and need child care. If the family needs assistance with finding a provider, the eligibility agency will assist the family with resource and referral. Second, parent choice is maintained. As stated above, in many instances a family already has a provider or knows what provider the family wants to use. The only remaining issue is the family's financial circumstance and the need to submit an application for child care subsidy. In response to comments received, the Department clarified this section to provide that a child is ineligible for failure to enroll within 30 days unless the eligibility agency determines that enrollment has been delayed because of circumstances outside of a parent's or caretaker's control. The Department also clarified that if a parent or caretaker fails to provide a circumstance outside the parent's or caretaker's control, the child is ineligible. And further, if a circumstance outside of a parent's or caretaker's control is provided, the child will remain eligible. *See* §§ 3042.15(d) and 3042.57(c) (relating to subsidy limitations; and to waiting list). As explained below and in the Department's comment and response document, the Department made congruent changes to these sections,

(3042.15(d) and 3042.57(c)), to ensure that a child maintains eligibility when circumstances beyond a parent or caretaker's control prevent enrollment in child care. The 30-day requirement strikes a balance between offering parental choice and efficiently administering the program. Simply put, families are on the wait list who also need subsidized child care, and spots cannot be held open in perpetuity if care is not needed or the parent or caretaker is not sure when it might be needed. The Department reiterates that families are eligible for subsidized child care because they are working or enrolled in education or training and need child care.

Next, IRRC requested explanation over implementation of the proposed § 3042.20(c) (relating to subsidy suspension) and for the Department to clarify the number of days considered to be excessive to establish a standard that is predictable and enforceable. After careful consideration, the Department made changes to remove subsection (c) from § 3042.20 and created a new section, § 3042.22 (relating to subsidy termination). Under the new section, an eligibility agency is required to terminate subsidy prior to the next redetermination in any of the following circumstances: (1) the child has been absent for 60 consecutive days of unexplained non-attendance in care, and the eligibility agency has attempted at least three times to contact the parent or caretaker regarding the child's absences; (2) the child no longer resides in the Commonwealth; (3) a parent or caretaker committed substantiated fraud or an intentional program violation; or (4) a parent or caretaker voluntarily requests discontinuance of the subsidy. The new section also clarifies that if the eligibility agency moves to terminate the subsidy in any of the stated circumstances, then notice will be sent to the family as required under § 3042.155 (relating to notice of adverse action). In addition, implementation of this provision is also discussed below and in the Department's comment and response document.

For financial eligibility under § 3042.31 (relating to financial eligibility), IRRC asked for the Department to address a commentator's concerns over the income ranges stated for redetermination in subsection (c). In addition, IRRC requested explanation over implementation of these income limits and why it is necessary to state the requirement with reference to both the Federal Poverty Income Guidelines (FPIG) and the State Median Income (SMI). Lastly, IRRC noted the comment applies as well to § 3042.97 (relating to use of the Federal Poverty Income Guidelines and State Median Income).

After review and consideration of these comments, the Department revised § 3042.31(c) to add the language "whichever is less" to clarify the requirement. The CCDBG prescribes the income limits in terms of the SMI. Meanwhile, as permitted by the CCDBG, the Department utilized a graduated phase-out approach that satisfies all CCDBG requirements, with the second tier set at an amount lower than 85% of the SMI for a family of the same size, but above the initial eligibility threshold. This approach comports with all federal requirements as stated in 45 CFR § 98.21(b) (regarding eligibility determination processes).

With respect to implementation, income is assessed initially such that it cannot exceed 200% of the FPIG. If determined eligible, subsidy will be provided, if funds are available, and will continue for the entirety of the eligibility period of 12 months until the redetermination date, so long as neither the family's income exceeds 85% of the SMI, nor the provisions regarding early termination under § 3042.22 apply. Subsequently, at redetermination, under this final-form rulemaking, the family's income may not exceed 235% of the FPIG or 85% of the SMI, whichever is less. Currently, as part of the 2022-2023 Budget Implementation, families may maintain financial eligibility at up to 300% of the FPIG. 72 P.S. § 1730-F.1 (16). This final-form rulemaking, however, does not reflect this additional income limit increase because the increase

is not permanent at the time of final-form rulemaking and is only provided for the current fiscal year. To the extent additional funding is maintained in future fiscal years, the department will re-examine updating its regulations as needed. It is necessary to include requirements stated with reference to both the FPIG and the SMI because agencies that establish family income eligibility at a level less than 85 percent of SMI are federally required to provide a graduated phase-out by implementing a two-tiered eligibility threshold with the second tier set at 85 percent of SMI or an amount lower than 85 percent SMI, but is above the initial threshold for eligibility. Providing initial eligibility requirements with reference to the FPIG is consistent with the requirements under the existing Chapter 3041. The Department notes that the initial income limit of 200% of the FPIG is lower than 85 percent SMI, as is 235% of the FPIG for most families, and so the final-form requirements are consistent with the federal requirements.

In addition, an eligibility agency will collect only the verification that is necessary to make an eligibility determination. To comply with the CCDF regulation (45 CFR 98.20(a)(2) (regarding a child's eligibility for child care services)), a parent or caretaker is required to submit notification of an income increase during the family's 12-month eligibility period only when the family's annual income exceeds 85 percent of the SMI. Parents and caretakers may also notify the eligibility agency at any time when circumstances change that might lower the family's co-payment or increase the family's subsidy. Upon such notification, under § 3042.86 (relating to change reporting and processing), the eligibility agency is required to review such change and reduce the family's co-payment. This final-form rulemaking, therefore, simplifies the regulatory requirements as they relate to application, verification, and the reporting of changes; all of which are consistent with CCDBG requirements.

4. Immunization

After noting inconsistencies with the requirements under § 3042.35 (relating to immunization) and the child care facilities regulations under §§ 3270.131, 3280.131 and 3290.131 (relating to health information), IRRC requested revisions to align the requirements in § 3042.35 with the child care facilities regulations or to explain why it is unnecessary to do so.

The Department agrees. In response, the Department made changes to align the section's requirements as requested by IRRC and to ensure compliance with the CCDF to ensure a grace period is extended to families experiencing homelessness and families with foster children. Specifically, changes were made to correct typographical errors by removing the hyphens after the words "up" and "to" in the phrase "up to date" and to delete the reference to the American Academy of Pediatrics and replace it with reference to the Advisory Committee on Immunization Practices (ACIP). Changes were also made to align the exemption as well as the timing requirements with the child care facilities regulations and the requirements of the CCDBG. Specifically, the language is changed to clarify that subsidy will be authorized for up to 60 days from the date of enrollment, or, if the child is experiencing homelessness or is a foster child, then the subsidy is authorized for up to 90 calendar days to obtain up to date immunizations or provide documentation of exemption. These changes ensure consistency with the child care facilities regulations, as well as compliance with the CCDF, and that a grace period is extended to families experiencing homelessness and foster children in recognition that these populations of children may struggle with providing timely documentation. The Department also notes this requirement is not new and that the existing Chapter 3041 provide for authorization for up to 90 calendar days. The Department also notes that families have up to 30 days to enroll in child care, and so the authorization of eligibility for subsidized child care is

consistent with health and safety requirements because children may not be enrolled in care upon authorization. Lastly, once children are authorized and enroll in care, the 60-day period begins, and documentation of immunizations or exemption, as applicable, must be provided to satisfy the requirement. For children who are experiencing homelessness or are in foster care, consistent with CCDF requirements, the Department's eligibility agency authorizes subsidy for an extra 30 days (or 90 days total) to ensure that this vulnerable population of children maintains eligibility while awaiting enrollment.

As stated above, this provision was amended in response to feedback from IRRC and commentators recommending revision to cite to the ACIP and to state the exemption requirements in subsections (a)(1) and (a)(2) consistently with the child care facilities regulations in §§ 3270.131, 3280.131 and 3290.131 (relating to health information). The added provisions clarify the statements must be signed, dated, and kept in the child's record.

5. Disability and Self-Certification

Regarding disability under § 3042.37 (relating to eligibility of households including a parent or caretaker with a disability), IRRC asked whether individuals enrolled in treatment programs, such as mental health services, and drug and alcohol treatment, qualify for subsidized child care services, and asked for added standards for families with two parents or caretakers with disabilities, or to explain why doing so is unnecessary. IRRC further asked whether the Department intends for a court order or safety plan to be a condition of eligibility. A commentator also noted disagreement, stating that requiring parents to verify that their disability precludes employment to continue to receive subsidy between redeterminations places a

significant burden on them that is distinguishable from the requirements for parents who lose employment for other reasons, thereby raising a potential issue of unlawful discrimination.

After careful consideration, the requirements of this section were revised and reorganized for consistency with 12-month eligibility. The Department notes that treatment for a disability includes treatment for mental health services and drug and alcohol treatment. Further, the Department made changes to § 3042.37 to state the requirements for single parent or caretaker households and two-parent or two-caretaker households, as requested by IRRC. The Department notes that families in circumstances where the parents or caretakers are disabled and not meeting the work, education or training requirements at application and redetermination may still be eligible for care through Head Start or Pre-K Counts. The Department also notes that a parent or caretaker must provide verification of a disability with medical documentation, unless the parent or caretaker is meeting the work, education, and training requirements. If a medical professional states a parent or caretaker is unable to work or care for the children, then they are exempt from work requirements in a two-parent household. Further, § 3042.37(e)(3) applies to situations where a parent or caretaker has a need to attend treatment for a disability and is unable to care for the child. The CCW program is intended to empower working parents to make their own decisions regarding the child care services that best suits their family's needs, and so satisfaction of the work requirements is required unless otherwise specified. Lastly, as part of the revisions to this section, the Department reorganized the provisions regarding court orders and safety plans as an eligibility requirement. As revised, a two-parent or two-caretaker family may be eligible for subsidized child care when one person is satisfying the work requirement and other person is prohibited from caring for the child due to a court order or a safety plan.

IRRC also requested the requirements of § 3042.70 (relating to verification of inability to work due to a disability) be clarified without reference to the size of the family. The Department agrees and notes that this section was revised to restate the requirements, as requested, following changes made to § 3042.37 as discussed above and in the Department's comment and response document.

After noting that § 3042.63(b)(4) (relating to self-certification) permits a parent or caretaker to self-certify a child's immunization status, IRRC again noted incongruity with the child care facility regulations under §§ 3270.131, 3280.131 and 3290.131 (relating to health information), and requested either changes to § 3042.63 to align with the requirements under the child care facilities regulations or an explanation for why it is not necessary to do so.

The Departments appreciate this comment; however, there are distinctions between the licensure requirements under Chapter 3270, 3280 and 3290 (relating to child care centers, group child care homes, and family child care homes) and the self-certification provisions under this chapter. Specifically, the final-form rulemaking concerns only eligibility requirements for subsidized child care, and so it concerns the Department's eligibility agencies, the parents and children who are eligible for and receive subsidized child care services, and the child care providers providing subsidized child care services. In contrast, compliance with Chapters 3270, 3280 and 3290 is measured by the Department's Bureau of Certification staff, and it concerns regulated providers and the health and safety requirements at regulated child care facilities.

Significantly, § 3042.63 is distinguishable because it uses self-certification to the eligibility agency for purposes of qualifying for subsidized child care only, and not for use for any health and safety licensure requirements subject to the oversight of the Department's Bureau of Certification. This section ensures that the timely provision of documentation does not act as

a barrier to eligibility for subsidized child care, as discussed further in the Department's comment and response document. Further, to the extent a child attends a certified facility, any requirements under Chapter 3270, 3280 and 3290 would have to be met. As such, the Department declines to make this change.

6. Waiting List

As discussed previously regarding subsidy limitations, IRRC inquired regarding the 30-day requirement, parental choice and implementation of exceptions. As explained above regarding subsidy limitations, thirty days is a reasonable timeframe to enroll a child with a child care provider because a parent or caretaker is working or is enrolled in training or education and is in need of child care. This requirement strikes a balance between offering parental choice and efficiently administering the program. As previously provided, the Department made congruent changes to sections 3042.15(d) and 3042.57(c) to ensure that a child maintains eligibility when circumstances beyond a parent or caretaker's control prevent enrollment in child care.

Regarding the waiting list requirements under §§ 3042.57 and 3042.132 (relating to waiting list; and eligibility determination for Head Start), as explained further below and in the Department's comment and response document, the Department amended the final-form regulation to clarify that the Department will post its methods for priority on its website. An order of priority may include foster children; children who are enrolled in PA Pre-K Counts, Head Start, or Early Head Start who need wrap-around child care at the beginning or end of the program day; newborn siblings of children who are already enrolled; children experiencing homelessness; and teen parents. Otherwise, children are placed on the waiting list on a first-

come, first-serve basis with respect to the date for requesting care for a child based on available funding.

7. Reporting Changes

IRRC asked for explanation of implementation procedures for when changes in income are reported, and also suggested the Department revise § 3042.86 (relating to change reporting and processing) to better clarify how increases in income will be assessed, particularly for instances when income may have increased in excess of 85% of the State Median Income.

In response to the comments received, the Department revised the language of this section for clarity. Under the final-form rulemaking, once a parent or caretaker reports a change in income that would result in the family becoming ineligible, the eligibility agency is required to assess the reported change to determine whether the reported change is an irregular fluctuation or a temporary increase. If the reported change is either an irregular fluctuation or a temporary increase, the eligibility agency will determine there is no change, and eligibility will continue for the remainder of the minimum 12-month eligibility period. If the change, however, is determined to not be an irregular fluctuation or temporary increase, the eligibility agency is required to terminate the subsidy by issuing an Adverse Action notice, which states the information specified in § 3042.152 (relating to notice of right to appeal), including the date the family will become ineligible, which would be 13 days from the date the notice was issued. Further, families may appeal an adverse action notice. *See* §§ 3042.164 and 3042.165 (relating to parent or caretaker rights and responsibilities regarding appeal; and eligibility agency responsibilities regarding appeal). As noted above, the Department revised this section (§ 3042.86) as requested to state more clearly the procedures for assessment and for when the

eligibility agency is prohibited from acting on reported information. The comments, responses and changes are more fully discussed below and in the Department's comment and response document.

8. Waivers, Presumptive Eligibility, and Appeals

Following feedback received noting confusion and clarity issues regarding the differences between waivers and presumptive eligibility, the Department reorganized §§ 3042.141-3042.147 to improve clarity by stating all of the substantive waiver requirements first, and then listing the requirements for presumptive eligibility. Specifically, the proposed §§ 3042.144-3042.147 are the final-form §§ 3042.141-3042.144, respectively. Similar, the proposed §§ 3042.141-3042.143 are the final-form §§ 3042.145-3042.147. The Department notes that the existing Chapter 3041 permits waivers for domestic violence only, and this final-form rulemaking extends waivers to also apply for families experiencing homelessness. As such, under this final-form rulemaking, waivers apply only to families experiencing domestic violence or homelessness.

For final-form § 3042.145 (relating to domestic and other violence), after noting the section does not address the redetermination process, IRRC requested clarification for how the domestic violence waiver is implemented. As discussed in more detail in the Department's comment and response document, the Department also received feedback from a commentator requesting changes. Regarding implementation, the Department reiterates that granting a waiver excuses the parent or caretaker from meeting certain requirements for up to 92 days, and that the waiver is subject to the requirements specified under §§ 3042.141-3042.144. Specifically, the eligibility agency must act on waiver requests within 15 calendar days after the date of the request. If the waiver is granted, the eligibility agency will send a notice that includes the basis for granting the waiver, and a statement that the eligibility agency will review the waiver

circumstances at redetermination. The Department notes that a waiver when granted excuses the parent or caretaker from meeting certain requirements for up to 92 days.

Once the waiver period expires, the parent or caretaker must provide the verification that was waived or must begin paying the co-payment, or both. If these requirements are met, eligibility and payment will continue for the rest of the 12-month eligibility period. If one or more of the waived requirements are not met, or if the individual is determined ineligible, subsidy will be terminated, and a notice of adverse action will be sent as specified under § 3042.155 (relating to notice of adverse action). The family may satisfy the waived requirements at any time before the subsidy is terminated, and once satisfied, the subsidy will continue for the remainder of the eligibility period. If a waiver is denied, the eligibility agency will send a notice explaining the basis for the denial, the right to appeal, the verification that is required to be submitted to grant the waiver and the associated time frames for meeting the verification requirements, and notification of the evidence or information needed to substantiate the waiver request and the associated time frames for the providing the information. If denied, the family is not eligible for subsidized child care, and the eligibility agency will generate an ineligible notice as specified under § 3042.144 (relating to general notification requirements for waivers). If granted, the eligibility agency will review the circumstances at redetermination to determine whether a new domestic violence waiver or a waiver for homelessness is warranted. Further, if a domestic violence waiver is not requested to be renewed, the parent or caretaker may apply for a period of presumptive continued eligibility at redetermination as specified under the final-form rulemaking.

For final-form § 3042.147 (relating to presumptive continued eligibility at redetermination), IRRC requested explanation from the Department for how the requirement as

proposed is consistent with the proposed definition of “period of presumptive eligibility,” and clarification as needed.

The Department agrees that further clarification is needed. First, there are two types of presumptive eligibility. The first type is specifically only for families experiencing homelessness, and that is why the requirement is stated differently than the requirement for domestic and other violence. For families struggling with homelessness, the CCDBG requires the Department to establish procedures to ensure the initial eligibility of children experiencing homelessness while required documentation is obtained. This final-form rulemaking establishes periods of presumptive eligibility for children experiencing homelessness to ensure the satisfaction of this CCDBG requirement. *See* 45 CFR § 98.51 (regarding services for children experiencing homelessness). For clarity, the definition of “period of presumptive eligibility” was amended to provide that it relates specifically to a temporary period of eligibility established at application for families experiencing homelessness. In addition, the Department added the term and definition for “presumptive continued eligibility at redetermination” to better describe eligibility requirements at the time of redetermination and to prevent families from needlessly cycling on and off from services. Presumptive continued eligibility under the final-form rulemaking is available to any family who satisfies the requirements at redetermination. Specifically, any family who is not meeting the work hours requirement but has a job to return to within 92 days can be determined presumptively eligible and maintain services. In this scenario, the redetermination is completed on day 92 and if the parent or caretaker is satisfying the work hours requirements, then eligibility will continue for the remainder of the 12-month eligibility period. If the parent or caretaker is not meeting the work hours requirements, then the eligibility agency will take the necessary steps to terminate the temporary eligibility with proper

notification to the family as required under § 3042.155 (relating to notice of adverse action). The changes are also discussed in the Department's comment and response document.

For § 3042.163(a)(1) (relating to subsidy continuation during the appeal process), IRRC inquired about the "postmarked and received" language and requested clarification of the language to establish a procedure the parent or caretaker is able to comply with.

In response to this comment, the Department replaced the word "received" with "delivered" to clarify that the appeal must be either postmarked by such date when sent via the mail or delivered by such date when sent by other methods, such as hand-delivery, facsimile or electronically. Additionally, the Department made the same changes in § 3042.166(b) (relating to hearing procedures) and § 3042.163(a)(1) (relating to subsidy continuation during the appeal process).

9. Self-declaration

IRRC also suggested the timeframes from the definition of "self-declaration." The Department agrees and modified the definition of "self-declaration" in the final-form rulemaking to remove the timing provisions and to clarify that the statement must be signed and dated. Following changes made in § 3042.64 (relating to self-declaration) to ensure consistency with minimum 12-month eligibility periods, the Department further modified the definition to clarify that self-declaration can be used for purposes of establishing financial or nonfinancial eligibility pending verification as described under § 3042.64. Further, the Department notes that changes were made to remove the proposed § 3042.67(6) because self-declaration requires follow-up documentation within 30 days, and meanwhile, under this final-form rulemaking, once eligibility

has been determined, the eligibility period lasts a minimum of 12 months, as consistent with the CCDF.

For § 3042.64, subsection (d) was revised on final-form to clarify the requirement following the Department's review. Specifically, the word "verification" was removed, and the language was modified to clarify that the provision applies if a parent or caretaker uses self-declaration to establish eligibility as described in subsection (a). This amendment was made following changes made to the definition of "self-declaration."

On final-form, § 3042.64(e) establishes that for a parent or caretaker using self-declaration, eligibility is pending verification until another form of acceptable verification is returned to the eligibility agency as required under this section. The addition came about following the Department's review to ensure consistency with the required minimum 12-month eligibility period. The Department reiterates that although self-declaration requires follow-up documentation within 30 days, once eligibility has been determined, the eligibility must last a minimum of 12 months. The added requirement makes clear that the eligibility is pending receipt of the verification required under this section.

On final-form, § 3042.64(f) establishes that if the eligibility agency does not receive the verifications as required, or if the family is determined ineligible, the eligibility agency shall take the necessary steps to terminate the eligibility pending verification with proper notification to the family as specified in § 3042.155 (relating to notice of adverse action). This addition was added for clarity to provide for instances when verifications are not provided, or for when the family is determined ineligible.

10. Payment Rates and Barriers to Eligibility

Some commentators requested a major rate increase to provider reimbursement. In response, payment rates were increased effective March 1, 2021, and again on January 1, 2022, prior to this final-form rulemaking. Specifically, the rates were aligned on a regional basis, and then increased to promote and better address concerns over equal access, as is consistent with requirements of the CCDBG. *See* 45 CFR § 98.45 (relating to equal access).

To further address existing barriers to eligibility, the Department made changes in §§ 3042.68, 3042.70, 3042.71, 3042.72, and 3042.73 (relating to verification of circumstances relating to a decrease in co-payment; verification of inability to work due to a disability; verification of family size; verification of child's incapability of caring for himself; and verification of care and control) to ensure the requirements are consistent and are not an unnecessary barrier to eligibility. Specifically, the Department noted that required medical documentation may be verified and provided by a physician, a physician's assistant, a CRNP, or a psychologist, and further, that the proposed terminology is more restrictive than the terminology found in similar provisions in the child care facilities regulations. As such, the Department made changes as described in the section-by-section discussion below, and as discussed in the Department's comment and response document.

Also, in furtherance of removing existing barriers to eligibility, the Department removed instances requiring a "face-to-face" meeting as discussed above. After review, the Department determined the term was outdated and misleading because a face-to-face meeting implies an in-person meeting. To improve clarity, the Department replaced "face-to-face" with the added term "personal interview" throughout the final-form chapter. The added term is consistent with terminology used elsewhere in the Department's regulations. *See* 55 Pa. Code §§ 123.22 and

133.23. The Department notes that “personal interview” refers to an informational meeting held between the eligibility agency and the parent or caretaker, which can take place either in person, by telephone, or by other means approved by the Department. This updated terminology will improve access for parents and caretakers by ensuring that personal interviews are conducted within 30 calendar days in a manner and format best suited to the parent or caretaker's needs, availability, and personal circumstances. These changes remove barriers for parents and caretakers by clearly stating there are multiple methods to complete a personal interview, including flexibilities to benefit parents and caretakers that may not be available for a face-to-face meeting as previously required.

11. Citations

IRRC noted seven miscellaneous issues involving citation errors in need of correction. The issues identified were in §§ 3042.3, 3042.21(2), 3042.72, 3042.98(a)(2), 3042.112(a)(3), 3042.131(a), and 3042.161(1). In response, the Department corrected all of the identified citation issues.

The following is a section-by-section description of the requirements of the final-form regulation:

GENERAL PROVISIONS

§ 3042.1. Purpose

This section establishes the purpose of the Subsidized Child Care Eligibility program.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.2. Scope

This section establishes the scope of the Subsidized Child Care Eligibility program.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.3. Definitions

This section establishes definitions for the following terms: “adjusted family income,” “annual income,” “appeal,” “application,” “CAO,” “caretaker,” “child care,” “collateral contact,” “co-payment,” “Department,” “disability,” “disqualification,” “domestic and other violence (domestic violence),” “education,” “eligibility agency,” “eligibility determination,” “eligibility redetermination,” “employment,” “FPIG,” “family,” “fraud,” “Head Start,” “homelessness,” “income,” “maternity or family leave,” “maximum child care allowance,” “overpayment,” “owner or operator of a child care facility,” “parent,” “period of presumptive eligibility,” “period of presumptive continued eligibility,” “prospective work, education or training,” “provider,” “published rate,” “recoupment,” “SMI,” “self-certification,” “self-declaration,” “self-employment,” “subsidized child care,” “subsidy suspension,” “TANF,” “tiered-reimbursement,” “training,” “verification,” “waiting list,” and “work.” These defined terms are used in the substantive provisions of Chapter 3042.

This section was amended on final-form rulemaking to improve clarity by adding the acronym “CRNP” and a definition for the acronym following changes made in §§ 3042.68, 3042.70, 3042.71, 3042.72 and 3042.73 because the acronym is used in more than one section of the final-form rulemaking.

The Department modified the definition of “education” following feedback during the public comment period to include the common acronyms GED and HSE degree, and for consistency with changes made to the definition of “training.” The Department notes that GED

and HSE are terms relating to educational credentials as well as training requirements because the programs may be considered training for purposes of the work requirement. The Department also added the definitions of the acronyms “GED” and “HSE” because the acronyms are used in more than one section of the final-form rulemaking.

Following feedback from IRRC requesting clarifications to incorporate all types of training, the Department modified subsection (v) of the definition of “family” so that it includes all types of education, training, and instruction, including an internship, clinical placement, apprenticeship, lab work or field work required by a training institution.

The Department modified the definition of “homelessness” as requested by IRRC by adding language and a new subsection (v) to ensure the child’s parent or caretaker is included in the definition, and to correct subsection (iv) to replace the word “subtitle” with the word “chapter.” Notably, the inclusion of parents and caretakers in the definition is consistent with the CCDF’s usage of homelessness because the CCDF references homeless families, which includes the child and the child’s parent or caretaker. *See* 45 CFR § 98.51.

The Department removed the term “maternity or family leave” because the term no longer served a purpose in the final-form rulemaking following changes to §§ 3042.19(c) and 3042.147(a) (relating to subsidy continuation; and presumptive continued eligibility at redetermination). Similarly, the Department removed the term “owner or operator of a child care facility” because the term was not used as such in the duly promulgated regulations in Chapter 3041, the proposed rulemaking, or this final-form rulemaking.

The Department modified the proposed definition of “period of presumptive eligibility” to remove all the substantive provisions and to clarify the definition pursuant to feedback from IRRC requesting the provisions be moved to the body of the regulations. The Department

restated the definition to clarify that a period of presumptive eligibility is a temporary period of eligibility established at application for families struggling with homelessness lasting no longer than 92 calendar days as specified in § 3042.146 (relating to homelessness). The Department notes that the timing provision is not substantive but is necessary to ensure clarity that periods of presumptive eligibility may last no longer than 92 calendar days.

The Department added the term “period of presumptive continued eligibility” on final-form following changes made in § 3042.147 that clarify that presumptive continued eligibility at redetermination is a temporary period of eligibility established at redetermination as specified in § 3042.147. The change better ensures that families do not needlessly cycle on and off services.

The Department also added the term “personal interview” following changes made in §§ 3042.56, 3042.114, 3042.115, and 3042.117 because the term better states the requirement, which need not take place face-to-face but instead can take place in person, by telephone, or by other means approved by the Department. Further, the added term is consistent with the term used by the Office of Income Maintenance (OIM). *See* 55 Pa. Code sections 123.22 and 133.23.

The Department also modified the definition of “prospective work, education or training” to remove the substantive provisions and add them to the final-form requirements under § 3042.34(a)(1) (relating to prospective work, education and training) and to better clarify that the definition concerns future employment, education or training that has a begin date and is verified by the employer, school official or training official.

The Department modified the definition of “self-declaration” to remove the timing provisions and to clarify that the statement must be signed and dated. Following changes made in § 3042.64 (relating to self-declaration) on final-form to ensure consistency with minimum 12-month eligibility periods, the Department further modified the definition to clarify that self-

declaration can be used for purposes of establishing financial or nonfinancial eligibility pending verification as described under § 3042.64.

Finally, the Department modified the definition of “training” in subparagraph (ii) to remove the timeframes for the postsecondary degree program and to include the two most common forms of adult education in the definition – GED and HSE programs. The addition is in response to feedback from IRRC as well as during the public comment period noting that the Department considers them to be training programs for purposes of the work requirement. The Department notes the changes under § 3042.3 provide added clarity to the regulated community and increase access for parents and caretakers by being more specific about these terms. The Department additionally notes that the added specificity better clarifies the requirements for eligibility and helps to remove barriers to eligibility for parents and caretakers who need subsidized child care services, as requested by commentators in general comments. The Department also notes that defining acronyms will help to ensure consistency between the regulated community and the eligibility agencies, as well as prospective participants, which will further remove barriers to eligibility for parents and caretakers who need subsidized child care services.

§ 3042.4. Nondiscrimination

This section establishes the requirement that eligibility agencies shall offer child care subsidy within the provisions of all applicable civil rights laws and regulations.

No change was made to this section from proposed to final-form rulemaking.

GENERAL BENEFITS

§ 3042.11. Provision of subsidized child care

Subsection (a) establishes that subsidized child care is provided for a child whose family meets financial and nonfinancial eligibility requirements.

Subsection (b) establishes that subsidized child care is available to an otherwise eligible child who is under 13 years of age.

Subsection (c) establishes that subsidized child care will continue until the eligibility agency completes the family's next scheduled annual redetermination when a child turns 13 years of age between redeterminations.

No changes were made to subsections (a)-(c) from proposed to final-form rulemaking.

Subsection (d) was amended on final-form rulemaking to clarify that subsidized child care services are available to children who are physically or mentally incapable of self-care. This amendment was made based on a comment received recommending the change for clarity.

Subsection (e) establishes that a former Temporary Assistance for Needy Families (TANF) family is eligible for a child care subsidy as specified under this chapter.

Subsection (f) was amended in preparation of the final-form rulemaking to conform to citation standards.

Subsection (g) establishes that the Department, through the Department's contract with the eligibility agency, will direct funding for various populations, including individuals who formerly received TANF benefits and foster children.

No change was made to subsection (g) from proposed to final-form rulemaking.

§ 3042.12. Parent choice

This section establishes that a family that is eligible for subsidized child care shall have the right to choose care from a provider that agrees to comply with the Department's standards

for provider participation. This section lists the entities that are eligible to provide subsidized child care services.

This section was amended on final-form rulemaking to restate the requirements in three subsections.

Final-form subsection (a) establishes that a family that is eligible for subsidized child care will have the right to choose care from a provider that agrees to comply with the Department's standards for provider participation, subject to subsections (b) and (c). This subsection was amended to clarify the requirement is subject to the requirements of subsections (b) and (c).

Final-form subsection (b) establishes that the Department may suspend the subsidy benefit when a parent or caretaker uses a provider who has received a Departmental notice to revoke or refuse to renew the provider's certificate of compliance. Subsection (b) was added on final-form in response to feedback received from IRRC regarding § 3042.14 (relating to payment of provider charges), as discussed above and in the Department's comment and response document.

Final-form subsection (c) establishes the entities that are eligible to provide subsidized child care services. The provision was amended on final-form to correct the names of the cited regulatory chapters in paragraphs (1) through (3) following the Department's review.

§ 3042.13. Subsidy benefits

This section establishes when subsidy-eligible families may receive subsidized child care services.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.14. Payment of provider charges

Subsection (a) establishes that a provider participating in the subsidized child care program is eligible to receive payment from the eligibility agency for services provided to a subsidy-eligible child.

Subsection (b) establishes that the eligibility agency may not pay child care costs that exceed the maximum child care allowance minus the family co-payment for the type of care the child received from the provider, except when the Department provides tiered reimbursement to providers that are eligible based on their participation in the Department's Quality Rating and Improvement System.

Subsection (c) establishes that the Department may provide tiered reimbursement based on the availability of funding.

No changes were made to subsections (a)-(c) from proposed to final-form rulemaking.

Subsection (d) was removed on final-form in response to comments received during the public comment period, and as more fully discussed in the Department's comment and response document. On proposed, this subsection established that if a parent or caretaker selects a provider whose published rate exceeds the CCW payment rate, the provider may charge the parent or caretaker the difference between these two amounts, in addition to the weekly co-payment. The Department determined the provisions ran contrary to the intent of CCDF assistance. The proposed subsection (e) was changed to the final-form subsection (d), and the rest of the provisions were reordered accordingly.

On final-form, new subsection (d) establishes that a change in a parent's or caretaker's need for child care and the resulting adjustment in the amount of payment to the provider shall

begin on the date the parent or caretaker reports the change or on the date the change begins, whichever is later. Aside from the reordering, no changes were made to this subsection.

On final-form, new subsection (e) establishes that when additional funding becomes available, the Department may direct any additional funding to providers that offer child care services during non-traditional hours. Aside from the reordering, no changes were made to this subsection.

On final-form, new subsection (f) establishes that the eligibility agency will not make retroactive payments for child care costs incurred more than 30 days prior to the issuance of an enrollment authorization, with the exception of a former TANF family as specified in § 3042.119 (relating to retroactive payment for former TANF families). Aside from the reordering, no changes were made to this subsection.

On final-form, new subsection (g) establishes that the Department will not permit subsidy enrollments at a provider for whom the Department has issued a revocation or refusal to renew.

Subsection (g) was amended on final-form rulemaking to remove the word “new” in response to feedback from IRRC, as discussed more fully above and in the Department’s comment and response document.

§ 3042.15. Subsidy limitations

Subsection (a) establishes that a parent or caretaker who is receiving funds from the TANF cash assistance program is not eligible for subsidized child care under this chapter.

Subsection (a) is unchanged from proposed to final-form rulemaking.

Subsection (b) establishes that subsidized child care may not be used as a substitute for a publicly-funded education program or specialized treatment program, except that parents or

caretakers can request for their kindergarten-age child to be permitted 1 additional school year to be enrolled in kindergarten.

Subsection (b) is unchanged from proposed to final-form rulemaking.

Subsection (c) establishes that if a parent or caretaker owns a child care facility, then the parent or caretaker is not eligible for subsidized child care for their own child if the child will be cared for in the same facility.

Subsection (c) was amended on final-form rulemaking. The amendment was made in response to feedback during the public comment period and from IRRC, as discussed above and in the Department's comment and response document.

Subsection (d) was removed on final-form. On proposed, this subsection established that if a parent or caretaker is the operator of a home that is exempt from certification under section 1001 of the Human Services is not eligible for subsidized child care if space is available at the facility. The provision as such was inoperative and obsolete because all regulated child care providers are required to be certified. The proposed subsection (e) was changed on final-form to subsection (d), and the rest of the provisions were reordered accordingly.

On final-form, new subsection (d) establishes that a child is ineligible for subsidized child care if the child is not enrolled within 30 calendar days following the date the eligibility agency notifies the parent or caretaker that funding is available, unless the eligibility agency determines that enrollment has been delayed because of circumstances outside of a parent's or caretaker's control.

Subsection (d) was amended on final-form rulemaking following feedback from IRRC, as discussed more fully above and in the Department's comment and response document.

§ 3042.16. Prohibition of additional conditions and charges

This section establishes that eligibility agencies may not impose additional requirements for eligibility beyond those prescribed in this final-form rulemaking or require the selection of a particular provider as a condition of eligibility.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.17. Attendance

This section establishes the requirement that the enrollment schedule shall be specified in writing, and that the child must attend child care pursuant to the schedule.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.18. Absence

This section establishes the maximum number of paid absences per year, and it delineates requirements relating to suspension.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.19. Subsidy continuation

Subsection (a) establishes that eligibility will be continuous for the 12-month eligibility period despite any loss of work, education or training.

Subsection (b) establishes that the eligibility period is continuous for 12 months even when there is a change in the child's primary parent or caretaker provided the substitute caretaker satisfies the requirement that the family's annual income does not exceed 85% of the SMI.

Subsections (a) and (b) are unchanged from proposed to final-form rulemaking.

Subsection (c) establishes that subsidized child care will continue at the same level until the family's next scheduled redetermination in specified circumstances.

Subsection (c) was amended to reorganize and restate the requirement in response to feedback received during the public comment period, as discussed more fully in the Department's comment and response document.

All amendments to subsection (c) were made based on feedback from a public commentator recommending the changes so that the requirements are consistent with the federal requirements and are completely stated. The commentator also requested provisions regarding subsidy termination, which the Department is clarifying in the added § 3042.22 (relating to subsidy termination).

§ 3042.20. Subsidy suspension

Subsection (a) establishes that the eligibility agency shall suspend subsidy if the child is absent from care for more than 5 consecutive days.

Subsection (b) establishes that parents or caretakers can request for the eligibility agency to suspend the subsidy for a child who is expected to be absent from care for more than 5 consecutive days.

Subsection (c) as proposed was removed on final-form because the provision concerned termination, as further discussed below under § 3042.22, as well as in the Department's comment and response document. The amendments were made following feedback received during the public comment period.

§ 3042.21. Subsidy disruption

This section establishes contingencies in the event that subsidy could be disrupted because of insufficient State or Federal funding.

This section was amended on final-form rulemaking to correct paragraph (2) to replace the word “subsection” with the word “section” following feedback from IRRC noting the error.

§ 3042.22. Subsidy termination

This section was added on final-form rulemaking to better clarify the circumstances that may result in termination of the subsidy prior to the end of the 12-month eligibility period. The addition also addresses IRRC’s request to clarify the requirement to state the specific number of days considered to be excessive to establish a standard that is predictable and enforceable. IRRC also asked the Department to explain implementation procedures for the proposed § 3042.20(c). In response, the proposed requirement for terminating a subsidy due to unexplained absences was moved into this newly-added section regarding subsidy termination. This section is added on final-form in response to feedback received during the public comment period and to clarify the circumstances that may result in termination of the subsidy prior to the end of the 12-month eligibility period.

Subsection (a) clarifies in four paragraphs the circumstances that may cause the eligibility agency to terminate subsidy prior to re-determination. Regarding the circumstances, paragraph (1) clarifies the number of unexplained absences that are excessive in response to IRRC’s comment to clarify the number of days. Specifically, the subsection clarifies the number of days is 60 consecutive days of unexplained non-attendance in care, provided the eligibility agency has attempted at least three times to contact the parent or caretaker regarding the child’s absences. The Department also clarified in paragraph (2) that one of the circumstances is if a child no

longer resides in the Commonwealth, and the Department clarified in paragraph (3) that one of the circumstances is if the parent or caretaker committed substantiated fraud or intentional program violations that invalidate prior determinations of eligibility. Paragraph (4) clarifies that the subsidy will be terminated if the parent or caretaker voluntarily requests discontinuance of the subsidy.

Subsection (b) clarifies that if the eligibility agency moves to terminate the subsidy as described in subsection (a), then notification to the family must be provided as required under § 3042.155 (relating to adverse action).

To determine whether the absences are excessive, upon notification from the provider that a child has been absent more than 5 consecutive days, the eligibility agency will send to the parent or caretaker a notice confirming the suspension of the subsidy following the non-attendance in care. Importantly, suspension does not divert funds away from the family, but instead, the funds are preserved until such time as the child returns to care and the suspension ends. Upon suspension, payment to the provider is stopped until the child has returned to care. If the suspension continues for a period of 60 consecutive days of unexplained, nonattendance in care, the eligibility agency will proceed to terminate subsidy after ensuring the required outreach.

ELIGIBILITY REQUIREMENTS

§ 3042.31. Financial eligibility

Subsection (a) establishes that the family's annual income cannot exceed 200% of the FPIG at initial application.

Subsection (b) establishes that, after an initial determination of eligibility, a family shall remain financially eligible so long as the family's annual income does not exceed 85% of the SMI.

Subsection (c) was amended on final-form rulemaking to clarify that eligibility will continue at redetermination provided that the family's annual income does not exceed 235% of the FPIG or 85% of the SMI, whichever is less. This amendment was made in response to a public comment received recommending the addition to improve clarity and in response to IRRC's comment, as discussed above and the Department's comment and response document.

Subsection (d) establishes that the eligibility agency shall inform the parent or caretaker of the amount that will exceed 235% of the FPIG or 85% of the SMI and will cause the family to be ineligible for subsidized child care.

Subsection (e) was amended to remove "and" and replace it with "or" following the Department's review on final-form to clarify that a family will be ineligible for subsidized child care when the family's assets exceed \$1 million either at application or redetermination.

§ 3042.32. Residence

Subsection (a) establishes that family members must be residents of the Commonwealth.

Subsection (b) establishes that a parent or caretaker shall apply to the eligibility agency responsible for the geographic area that includes the zip code of the family's residence.

Subsection (c) establishes that a parent or caretaker experiencing domestic violence or homelessness may use an alternate address for receipt of mail or telephone number for receipt of telephone calls

No changes were made to this section from proposed to final-form rulemaking.

§ 3042.33. Work, education and training

Subsection (a) establishes that a parent or caretaker shall work at least 20 hours per week.

Subsection (b) establishes that the eligibility agency shall average a parent's or caretaker's work hours in cases where hours of work vary from week to week.

Subsection (c) establishes two circumstances under which the eligibility agency will consider a parent or caretaker as satisfying the work requirement under subsection (a).

Subsection (c)(1) was changed to clarify the requirement applies to GED or HSE diplomas. There were no other changes to this section from proposed to final-form rulemaking.

§ 3042.34. Prospective work, education and training

Subsection (a) establishes the requirements that must be satisfied for a parent or caretaker who has prospective work, education or training.

Subsection (a)(1) was amended following feedback from IRRC requesting removal of substantive language from the definition of "prospective work, education or training." The Department agrees and moved that substantive language from the proposed definition of the term and is adding it to this section to clarify that work, education or training must begin no later than 30 calendar days following the date the parent or caretaker signs and dates the application for subsidized child care.

Subsection (a)(2) was unchanged from proposed to final-form rulemaking.

Subsection (b) establishes that subsidized child care may not begin until the parent or caretaker begins work, education or training.

Subsection (c) establishes that a parent or caretaker shall notify the eligibility agency of the actual amount of income no later than 10 calendar days after receiving the first income for work.

Subsections (b) and (c) are unchanged from proposed to final-form rulemaking.

§ 3042.35. Immunization

As revised, subsection (a) establishes that a child receiving subsidized child care shall be up to date with immunizations as recommended by the Advisory Committee on Immunization Practices (ACIP), and that an eligibility agency shall, for purposes of establishing eligibility for subsidized child care, grant exemption from the immunization requirement if the child's parent or caretaker objects to immunization on religious grounds or strong personal objection equated to a religious belief must be documented by a written, signed and dated statement from the child's parent or guardian. The statement shall be kept in the child's record, or if a child's physician, physician's assistant or CRNP signs and dates a written statement indicating that a child's medical condition contraindicates immunization. The statement shall be kept in the child's record.

As revised, subsection (b) establishes that, for purposes of subsidized child care eligibility, the eligibility agency will authorize families for subsidy and give the parent or caretaker 60 days from the date of enrollment, or if the child is experiencing homelessness or is a foster child, then 90 calendar days to obtain up to date immunizations or provide documentation of exemption from the immunization requirement.

Subsections (a) and (b) were amended on final-form rulemaking to correct typographical errors and to address feedback from IRRC, as discussed more fully above and in the Department's comment and response document.

§ 3042.36. Citizenship

This section establishes that a child receiving subsidized child care must be a United States citizen or an alien lawfully admitted for permanent residence or otherwise lawfully and permanently residing in the United States.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.37. Eligibility of households including a parent or caretaker with a disability

This section was reorganized and restated following feedback from IRRC and from a public commentator requesting revisions, as described above and in the Department's comment and response document. Pursuant to the reorganization, the subsections were reordered.

On final-form, new subsection (a) establishes that at application or redetermination, a single parent or caretaker who is disabled is not eligible for subsidized child care services. The Department reiterates that the two-generation approach articulated in the CCDBG aims to support parents' work and the promotion of children's healthy development.

Subsection (b) establishes that following a determination of eligibility, a single parent or caretaker who experiences the onset of a disability will remain eligible until the family's next scheduled annual redetermination.

Subsection (b) was amended on final-form rulemaking to restate the requirement so that it is clear that subsidy will continue until the next scheduled annual redetermination in the event the parent or caretaker is unable to meet the work, education and training requirements.

On final-form, new subsection (c) establishes that at application or redetermination, a two-parent or caretaker family who are both disabled are not eligible for subsidized child care

services. The Department reiterates that the two-generation approach articulated in the CCDBG aims to support parents' work and the promotion of children's healthy development.

On final-form, new subsection (d) establishes that following a determination of eligibility, a two-parent or caretaker family where both parents are unable to meet the work, education and training requirements is excused from the work, education and training requirements until the family's next scheduled annual redetermination.

Subsection (e) establishes the requirements and conditions that a two-parent or two-caretaker family must satisfy in order to be eligible for subsidized child care services.

Subsection (e)(1) establishes that one parent or caretaker must be working at the time of application and at each redetermination.

Subsection (e)(1) was amended on final-form rulemaking to clarify that one parent or caretaker must be satisfying the work requirement as specified under § 3042.33 (relating to work, education and training) at the time of application and at each subsequent redetermination.

Subsection (e)(2) establishes that the parent or caretaker who is not working must have a disability verified under § 3042.70 (relating to verification of inability to work due to a disability) at the time of application and redetermination.

Subsection (e)(2) was amended on final-form rulemaking to delete the language "or at the time the parent or caretaker becomes disabled" because the language was inconsistent with the rulemaking and the CCDBG because eligibility is continuous for the 12-month period. The amendment was made in response to a public comment received suggesting the provision as proposed was not in sync with the federal CCDBG requirements.

Subsection (e)(3) establishes that the parent or caretaker with the disability is unable to work or participate in education or training and is unable to care for the child for whom the

family requested subsidy, or has a need to attend treatment for the disability and is unable to care for the child.

Subsection (e)(3) is unchanged from proposed to final-form rulemaking.

Subsection (e)(4) was moved on final-form to a separate and newly-added subsection, subsection (f). The section was moved to clarify that a court order is not required in conjunction with the other listed requirements, but instead, it is a stand-alone option intended to widen the scope of available avenues for the receipt of child care subsidies. The change was made in response to feedback noting ambiguity and requesting clarification of the subsection.

On final-form, subsection (f) establishes that a two-parent or two-caretaker family may be eligible for subsidized child care if the other parent or caretaker is satisfying the work requirements and a court order or safety plan issued by a children and youth agency prohibits one parent or caretaker from caring for the child for whom the family requested subsidy.

DETERMINING FAMILY SIZE AND INCOME

§ 3042.41. Family size

Subsection (a) establishes the individuals who count when determining the size of the family.

Subsection (b) establishes that a foster child may be counted as a family of one or may be included in a family as defined in this chapter.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.42. Income counted

This section establishes that the incomes to be counted when determining financial eligibility are the incomes of the parent or caretaker of the child for whom eligibility is sought, a

parent's or caretaker's spouse, and children for whom the parent or caretaker receives unearned income.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.43. Income adjustment

This section establishes how the eligibility agency determines the total adjusted family income in eight subsections.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.44. Estimating income

Subsection (a) establishes that the eligibility agency shall use its best estimate of monthly income based upon circumstances at the time of application or redetermination as consistent with Appendix A, Part I.

Subsection (b) establishes that for parents or caretakers who are working and have received pay at the time they apply for subsidized child care, the eligibility agency shall estimate income based upon verified, actual amounts already received by the family prior to application or redetermination.

Subsection (c) establishes that the eligibility agency shall adjust its estimate of monthly income to reflect recent or anticipated changes and unusual circumstances that are not expected to recur, such as overtime not likely to continue.

Subsection (d) establishes that when an applicant anticipates starting work within the next 30 days or has not yet received a first paycheck, income eligibility is established based on verified anticipated income.

No change was made to this section from proposed to final-form rulemaking.

ELIGIBILITY DETERMINATION

§ 3042.51. Application

Subsection (a) establishes that the eligibility agency shall make applications for subsidized child care available to any person upon request.

Subsection (b) establishes that a parent or caretaker may file a signed application for subsidized child care under this chapter, including an electronically-signed, online application, on any day and at any time.

Subsection (c) establishes that a parent or caretaker may submit an application by mail, hand-delivery, facsimile or electronically.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.52. Initial determination of eligibility

Subsection (a) establishes that the eligibility agency shall stamp the date and time of receipt on the signed application on the same day the eligibility agency receives the application by mail, hand-delivery, facsimile or electronically.

Subsection (b) establishes that the eligibility agency shall determine a family's eligibility and authorize payment for subsidized child care no later than 10 calendar days following verification of all factors of eligibility, and that the eligibility agency may not delay a determination of eligibility beyond 30 calendar days following receipt of a signed application from the parent or caretaker.

Subsection (c) establishes that the eligibility agency shall determine a family eligible retroactive to the date the family submitted a signed application if the eligibility agency has received all information necessary to complete the application and the verification provided by the parent or caretaker establishes eligibility.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.53. Effective date of coverage

Subsection (a) establishes that if the eligibility agency determines a family eligible for subsidized child care and if funding is available, coverage of child care costs is retroactive to the date the family submitted a signed application.

Subsection (b) establishes that if the eligibility agency places a child on a waiting list following the determination of eligibility, coverage of child care costs must begin on the date funding is available.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.54. Notification of eligibility status and availability of funding

Subsection (a) establishes that the eligibility agency shall notify the parent or caretaker of the family's eligibility status within 30 calendar days of receiving a signed application.

Subsection (b) establishes that if the eligibility agency determines a family eligible for subsidized child care, the eligibility agency shall notify the family's child care provider when funding becomes available to enroll the child.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.55. Period of eligibility

This section establishes that a family receiving subsidy remains eligible until determined ineligible.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.56. Personal interview

As revised, subsection (a) establishes that if the eligibility agency determines a family eligible for subsidized child care and if funding is available, the parent or caretaker shall attend a personal interview with the eligibility agency no later than 30 calendar days following the date the eligibility agency notifies the family of eligibility for subsidized child care.

As revised, subsection (b) establishes that if the eligibility agency determines a family eligible for subsidized child care and if funding is not available, the parent or caretaker shall attend a personal interview with the eligibility agency no later than 30 calendar days following the date the first child from a family is enrolled in subsidized child care.

Subsection (c) establishes that the eligibility agency shall accommodate the parent's or caretaker's work hours in scheduling the personal interview.

Subsection (d) establishes that the eligibility agency may extend the 30-day time frame for the personal interview for up to an additional 30 days if the parent or caretaker claims hardship due to conflicts with the parent's or caretaker's working hours or illness.

Subsection (e) was removed on final-form. On proposed, this subsection established that the eligibility agency could substitute a telephone contact for a face-to-face meeting if the face-to-face meeting cannot be rescheduled without the parent or caretaker experiencing a hardship. Because the terminology is changing from face-to-face meeting to personal interview, and because personal interview does not require a face-to-face meeting, the requirement was unnecessary and so it was removed. The proposed subsection (f) was changed to the final-form subsection (e), and the rest of the provisions were reordered accordingly.

On final-form, new subsection (e) establishes that the eligibility agency may waive the requirement for the personal interview if the parent or caretaker has completed a personal interview with the eligibility agency within the previous 12 months.

This section was amended on final-form rulemaking to clarify the requirement and to remove an unnecessary barrier to eligibility as consistent with CCDBG purposes and goals. The Department reiterates that several commentators advocated for those who struggle to participate in the face-to-face meeting and suggested allowing telephone contact to satisfy the requirement. In response, the Department made these changes to this section, as discussed above and in the Department's comment and response document.

§ 3042.57. Waiting list

Subsection (a) establishes that the eligibility agency shall place an eligible child on a waiting list on a first come, first served basis if funds are not available to enroll the child following a determination of eligibility based on available funding.

Subsection (a) was amended on final-form rulemaking in response to feedback from a commentator. Specifically, the section was revised to provide that the Department will post its method for priority on its website. An order of priority may include: foster children; children who are enrolled in PA Pre-K Counts, Head Start, or Early Head Start who need wrap-around child care at the beginning or end of the program day; newborn siblings of children who are already enrolled; children experiencing homelessness; and teen parents. Otherwise, children are placed on the waiting list on a first-come, first-serve basis with respect to the date for requesting care for a child based on available funding.

Subsection (b) establishes the requirement that following a determination of eligibility, if a parent or caretaker requests care for an additional child, the eligibility agency shall place the

additional child on the waiting list according to the date and time that care was requested for the additional child based on available funding.

Subsection (b) is unchanged from proposed to final-form rulemaking.

Subsection (c) establishes the requirement that a child will become ineligible if not enrolled with an eligible child care provider within 30 calendar days following the date of notification that funds are available to enroll the child, although exceptions may apply with Departmental approval. The requirement stated that the exceptions might include instances with circumstances beyond a family's control.

Subsection (c) was amended on final-form rulemaking to make changes congruent with the changes made as discussed above and in the Department's comment and response document.

SELF-CERTIFICATION AND VERIFICATION

§ 3042.61. General verification requirements

Subsection (a) establishes that the parent or caretaker shall be the primary source of verification in establishing and maintaining eligibility for subsidized child care.

Subsection (b) establishes that the eligibility agency shall assist parents and caretakers in obtaining verification, including making a collateral contact.

Subsection (c) establishes that the eligibility agency may not impose requirements for verification beyond the requirements of this chapter.

Subsection (d) establishes that at the time of application for subsidized child care, the eligibility agency shall obtain consent from the parent or caretaker and the parent's or caretaker's spouse permitting the eligibility agency to obtain verification of eligibility information.

Subsection (e) establishes that the eligibility agency shall retain the signed consent in the family's file.

Subsection (f) establishes that the consent shall remain in effect for as long as the family receives subsidy.

Subsection (g) establishes that the eligibility agency may not deny or terminate subsidy to a family when the parent or caretaker has cooperated in the verification process and needed verification is pending or cannot be obtained due to circumstances beyond the parent's or caretaker's control.

Subsection (h) establishes that the eligibility agency may not require a parent or caretaker to re-verify information unless the eligibility agency has information that indicates the subsidy status of the family has changed.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.62. Collateral contact

Subsection (a) establishes that the eligibility agency shall make a collateral contact on behalf of the parent or caretaker.

Subsection (b) establishes that the eligibility agency shall obtain from the parent or caretaker a list of sources of reliable collateral contact information.

Subsection (c) establishes that the eligibility agency shall cooperate with a source who acts as a collateral contact.

Subsection (d) establishes the sources of reliable collateral contact information.

Subsection (e) establishes that the eligibility agency may not contact an alleged abuser or former abuser in a domestic violence situation.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.63. Self-certification

Subsection (a) establishes that the eligibility agency shall inform the parent or caretaker in writing that self-certification is made subject to 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

No change was made to subsection (a) from proposed to final-form rulemaking.

Subsection (b) establishes the eligibility factors for which the eligibility agency will accept a statement of the parent or caretaker as sufficient proof. The factors include age, family composition, citizenship or immigration status, immunization status, day and hours care is needed, the status of an individual who formerly received TANF as specified under § 3042.115(1) (relating to reporting requirements for former TANF families), and personal interview time frame extension or telephone contact based on hardship.

Subsection (b) was amended on final-form rulemaking to make changes to subsection (b)(7) to update the terminology and remove references to “face-to-face” and replace it with “personal interview,” and to correct a citation and the title of a referenced section following changes made in § 3042.56 (relating to personal interview). Otherwise, the Department noted that this section is currently required under the existing Chapter 3041.

§ 3042.64. Self-declaration

Subsection (a) establishes the requirement that if verifying eligibility based on documentary evidence or collateral contract is unsuccessful, the eligibility agency shall proceed to determine eligibility based upon a self-certification as specified in § 3042.63 or by written self-declaration by the parent or caretaker.

Subsection (b) establishes the requirement that the eligibility agency shall instruct the parent or caretaker that a written self-declaration is made subject to 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Subsection (c) establishes that the eligibility agency shall accept a parent's or caretaker's self-declaration statement, unless evidence contradicts the statement.

Subsections (a), (b) and (c) are unchanged from proposed to final-form rulemaking.

Subsection (d) establishes that if a parent or caretaker uses self-declaration to establish eligibility, then the eligibility agency shall require the parent or caretaker to provide another form of acceptable verification no later than 30 calendar days following the date the written self-declaration is accepted by the eligibility agency, unless otherwise specified in this chapter.

Subsection (d) was amended on final-form rulemaking following the Department's review to clarify the requirement following changes made on final-form to the definition of "self-declaration." Specifically, the word "verification" was removed, and the language was modified to clarify that the provision applies if a parent or caretaker uses self-declaration to establish eligibility as described in subsection (a). For clarity, the eligibility agency sends written confirmation to the parent or caretaker that the self-declaration is accepted and states the date by which verification must be provided.

On final-form, new subsection (e) establishes that for a parent or caretaker using self-declaration, eligibility is pending verification until another form of acceptable verification is returned to the eligibility agency as required under this section. The addition came about following the Department's review to ensure consistency with the required minimum 12-month eligibility period. The Department reiterates that although self-declaration requires follow-up documentation within 30 days, once eligibility has been determined, the eligibility must last a

minimum of 12 months. The added requirement makes clear that the eligibility is pending receipt of the verification required under this section.

On final-form, new subsection (f) establishes that if the eligibility agency does not receive the verifications as required under this section, or if the family is determined ineligible, the eligibility agency shall take the necessary steps to terminate the eligibility pending verification with proper notification to the family as specified in § 3042.155 (relating to notice of adverse action). The addition came about following the Department's review to state the requirement completely and for instances when verifications are not provided, or for when the family is determined ineligible.

§ 3042.65. Verification of income

Subsection (a) establishes the requirement for acceptable verification of earned income from employment.

Subsection (b) establishes the requirement for acceptable verification of income from self-employment.

Subsection (c) establishes the requirement for acceptable verification of unearned income.

Subsection (d) establishes the requirement for acceptable verification of the amount of support received or paid by the family.

No changes were made to this section from proposed to final-form rulemaking.

§ 3042.66. Verification of residence

Subsection (a) establishes the requirement that the parent or caretaker shall submit verification of residence at the time of application.

Subsection (b) establishes requirements for acceptable certification of residence.

Subsection (c) establishes the requirement that the parent or caretaker shall submit verification of residence at the time of redetermination if the parent or caretaker reported a change of address.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.67. Verification of work, education and training

This section establishes the acceptable means for parents or caretakers to verify the number of hours of work, education, training, or enrollment in education or training.

Paragraph (6) was removed on final-form following the Department's review because the provision conflicts with 12-month eligibility. The Department reiterates that although self-declaration requires follow-up documentation within 30 days, once eligibility has been determined, the eligibility must last a minimum of 12 months, and so permitting verification by self-declaration at all runs contrary to the requirement that work, education or training will begin no later than 30 days after signing and dating the application. No changes were made to the remainder of the paragraphs from proposed to final-form rulemaking.

§ 3042.68. Verification of circumstances relating to a decrease in co-payment

This section establishes the acceptable means through which a parent or caretaker can verify that circumstances have changed such that the co-payment should be decreased.

This section was amended on final-form rulemaking for consistency of terminology to remove unnecessary barriers to eligibility as requested by commentators. Specifically, the Department observed incongruity in terminology in this section and in §§ 3042.70, 3042.71, 3042.72, and 3042.73. The Department determined that the proposed terminology was more restrictive than the terminology used in the other sections of this chapter and in the child care

facilities regulations in Chapters 3270, 3280 and 3290, and that such differences served no regulatory purpose. The Department therefore made changes to this section to refer to a “licensed physician, physician’s assistant, CRNP or psychologist.”

§ 3042.69. Verification of identity

Subsection (a) establishes the requirement that the parent or caretaker shall submit verification of identity at the time of application.

Subsection (b) establishes requirements for the acceptable verification of identity.

Subsection (c) establishes the requirement that the parent or caretaker shall submit verification of identity at the time of redetermination if the eligibility agency becomes aware of an additional parent or caretaker residing in the household.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.70. Verification of inability to work due to a disability

This section establishes the means through which an inability to work due to a disability may be documented.

This section was amended on final-form rulemaking for consistency of terminology to remove unnecessary barriers to eligibility. Specifically, the Department observed incongruity in terminology in this section and in §§ 3042.68, 3042.71, 3042.72, and 3042.73. The Department determined, as explained above in § 3042.68, that the proposed terminology was unnecessarily restrictive. The Department therefore made changes to this section to refer to a “licensed physician, physician’s assistant, CRNP or psychologist.” Finally, because of changes made in § 3042.37, the Department made changes to this section to state the requirements without reference to the size of the family as requested by IRRC. This requirement applies only at the time of

application or redetermination, and if the parent or caretaker becomes disabled during the eligibility period, the eligibility will continue for the balance of the 12-month eligibility period. The Department reiterates that once eligibility is determined, the eligibility period lasts for 12 months in all cases, except for when the requirements in § 3042.22 (relating to subsidy termination) apply.

§ 3042.71. Verification of family size

This section establishes the means through which the family size can be verified.

This section was amended on final-form rulemaking for consistency of terminology to remove unnecessary barriers to eligibility. Specifically, the Department observed incongruity in terminology in this section and in §§ 3042.68, 3042.70, 3042.72, and 3042.73. The Department determined, as explained above under § 3042.68, that the proposed terminology was unnecessarily restrictive. The Department therefore made changes to this section to refer to a “licensed physician, physician’s assistant, CRNP or psychologist.”

§ 3042.72. Verification of a child's incapability of caring for himself

This section establishes the means through which a child’s incapability of caring for himself can be verified.

This section was amended on final-form rulemaking to correct the citation stated in the requirement following feedback received from IRRC noting the error. Further, this section was amended on final-form rulemaking for consistency of terminology to remove unnecessary barriers to eligibility. Specifically, the Department observed incongruity in terminology in this section and in §§ 3042.68, 3042.70, 3042.71, and 3042.73. The Department determined, as explained above under § 3042.68, that the proposed terminology was unnecessarily restrictive.

The Department therefore made changes to this section to refer to a “licensed physician, physician’s assistant, CRNP or psychologist.”

§ 3042.73. Verification of care and control

This section establishes the means through which care and control may be verified.

This section was amended on final-form rulemaking for consistency of terminology to remove unnecessary barriers to eligibility. Specifically, the Department observed incongruity in terminology in this section and in §§ 3042.68, 3042.70, 3042.71, and 3042.72. The Department determined, as explained above under § 3042.68, that the proposed terminology was unnecessarily restrictive. The Department therefore made changes to subsection (2) to refer to a “licensed physician, physician’s assistant, CRNP or psychologist.” Next, paragraph (8) was changed on final-form to clarify that the requirement refers to a written statement from the parent or caretaker verifying that a relative has care and control of the child. The amendment clarifies the requirement to be consistent with current practices for when a relative who is not the parent or caretaker has care and control of the child.

§ 3042.74. Verification of foster child status

Subsection (a) establishes the requirement that acceptable verification of foster status includes a statement from a children and youth agency or a record from a government or social service agency.

Subsection (b) establishes the requirement that verification of foster child status must be verified at application, redetermination or upon adding the child to the family composition.

No change was made to this section from proposed to final-form rulemaking.

ELIGIBILITY AGENCY RESPONSIBILITIES

§ 3042.81. Eligibility agency

Subsection (a) establishes the requirement that the eligibility agency shall manage the subsidized child care program in part of a county, a single county or several counties.

Subsection (b) establishes the requirement that the eligibility agency may be either a prime contractor or a subcontractor designated in a prime contract.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.82. Eligibility determination

Subsection (a) establishes the requirement that the eligibility agency shall determine eligibility for subsidized child care as specified in this chapter.

Subsection (b) establishes the requirement that the eligibility agency may not impose eligibility conditions other than the conditions listed in this chapter.

Subsection (c) establishes the requirement that the eligibility agency may not require the parent or caretaker to select a particular provider or combination of providers as a condition of eligibility.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.83. Confidentiality

Subsection (a) establishes that the eligibility agency and its employees must keep confidential the information in the family file and use that information only for purposes directly connected to the administration of their duties.

Subsection (b) establishes that agents of the United States, the Commonwealth and the Department who are responsible for eligibility review, evaluation or audit functions shall have access to, and the right to the use and disclosure of, information on applicants or recipients of

subsidized child care. This use and disclosure are confined to the agent's responsibility to carry out review, evaluation or audit functions.

Subsection (c) establishes that disclosure of information beyond the scope of review, evaluation or audit functions performed by the agents requires the parent's or caretaker's informed and written consent.

Subsection (d) establishes that information in the family file may be disclosed to the local CAO when necessary to ensure that funds are authorized appropriately.

Subsection (e) establishes that the eligibility agency shall ensure the confidentiality of an individual who files an appeal or complaint about a family's receipt of subsidized child care for a child.

No changes were made to this section from proposed to final-form rulemaking.

§ 3042.84. Family file

Subsection (a) establishes that an eligibility agency shall establish and maintain a separate file for the family of each parent or caretaker who applies for subsidized child care.

Subsection (b) establishes that the family file shall contain documents pertaining to eligibility determination, redetermination, subsidized child care authorization, co-payment agreements and copies of written notices required by this chapter.

Subsection (c) establishes that a parent or caretaker or an authorized representative has a right to examine the family file.

No changes were made to this section from proposed to final-form rulemaking.

§ 3042.85. Record retention

Subsection (a) establishes that an eligibility agency shall retain paper or electronic family files, completed application forms, written notices, books, records and other fiscal and administrative documents pertaining to subsidized child care.

Subsection (b) establishes that an eligibility agency shall maintain records for at least 6 years from the end of the fiscal year in which subsidized child care has been provided or until an audit or litigation is resolved.

Subsection (c) establishes that the fiscal year is a period of time beginning July 1 of any calendar year and ending June 30 of the following calendar year.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.86. Change reporting and processing

This section was amended on final-form rulemaking to reorganize the provisions and to restate the requirements for improved clarity. Pursuant to the reorganization, several provisions were moved and renumbered.

Subsection (a) establishes that a parent or caretaker shall report income in excess of 85% of the SMI no later than the 10th day of the month following the month of the change in income.

Subsection (a) was amended on final-form rulemaking to clarify that a parent or caretaker shall report income in excess of 85 percent of the SMI no later than the 10th day of the month following the month of the change in income. The amendment was made in response to comments received requesting allowance for parents to total their income for the entire month and determine whether the income has gone over the threshold required for reporting. The change is consistent with the periods of time permitted by the Department for other programs for reporting changes, including TANF, Supplemental Nutrition Assistance Program (SNAP), and

Medical Assistance (MA). The change is consistent with the Department's process, which includes evaluating reports of increases in income above 85% of the SMI for whether the reported increase is a fluctuation or a mere temporary increase, as required under 45 CFR § 98.21(e).

Subsection (b) establishes that if a parent or caretaker reports a change that results in the family or a child in the family becoming ineligible for subsidy, the eligibility agency must assess the change and ensure that the reported change is assessed for whether the change is an irregular fluctuation or a temporary increase and shall ensure that the necessary steps are taken to terminate the subsidy following evaluation of the reported change.

Subsection (b) was amended on final-form rulemaking to clarify and add requirements to clarify that the eligibility agency must ensure that a reported change is assessed for whether the change is an irregular fluctuation or a temporary increase and must ensure that the necessary steps are taken to terminate the subsidy following evaluation of the reported change. The amendment was made following feedback from IRRC asking whether the eligibility agency considers if the income is an irregular fluctuation, whether the eligibility agency begins processing the termination as soon as a change is reported and requesting revisions to clarify how increases in income are assessed. The requirements are stated in the added subsections (b)(1) and (b)(2). As it regards the time for the eligibility agency to act, once a parent or caretaker reports a change in income that would result in the family becoming ineligible, the eligibility agency immediately assesses the reported change to determine whether the reported change is an irregular fluctuation or a temporary increase. If the reported change is either an irregular fluctuation or a temporary increase, the eligibility agency will determine there is no change, and eligibility will continue for the remainder of the minimum 12-month eligibility

period. If the change is determined to not be an irregular fluctuation or temporary increase, the eligibility agency will immediately act to terminate the subsidy by issuing an Adverse Action notice, which states the information specified in § 3042.152 (relating to notice of right to appeal), including the date the family will become ineligible, which would be 13 days from the date the notice was issued. Families may appeal an adverse action notice. *See* §§ 3042.164 and 3042.165 (relating to parent or caretaker rights and responsibilities regarding appeal; and eligibility agency responsibilities regarding appeal).

Subsection (c) establishes that a parent or caretaker may voluntarily report changes in income on an ongoing basis.

Subsection (c) was amended on final-form rulemaking to clarify that the eligibility agency will act on information reported by the parent or caretaker if it would reduce the family co-payment or increase the family subsidy and that the eligibility agency shall review the change and reduce the co-payment as specified in § 3042.94 (relating to parent or caretaker co-payment requirements), and to clarify that the eligibility agency is prohibited from acting on information reported by the family that would reduce the family's subsidy unless the information provided indicates the family's income exceeds 85% of the SMI for a family of the same size. The requirements are stated in the added subsections (c)(1) and (c)(2).

Subsection (d) establishes that if the parent or caretaker fails to report a change in the child's provider, the child remains eligible. This requirement also ensures that the eligibility agency does not make retroactive payment more than 30 calendar days prior to the date the parent or caretaker reported the change, except for a former TANF family as specified in § 3042.119 (relating to retroactive payment for former TANF families).

Subsection (d) was unchanged from proposed to final-form rulemaking.

Finally, because of the reorganization of this section, the title of this section was changed to “Change reporting and processing.”

All of the above amendments were made in response to feedback received during the public comment period and from IRRC suggesting that the proposed requirements were ambiguous and were not aligned with the federal CCDBG requirements. The amendments are also discussed above and in the Department’s comment and response document.

§ 3042.87. Voluntary request to terminate subsidized child care

Subsection (a) establishes that a parent or caretaker may request the eligibility agency to terminate subsidy.

Subsection (b) establishes that upon receipt of a request to terminate subsidy, the eligibility agency shall take steps to terminate the family's eligibility.

Subsection (c) establishes that the eligibility agency shall notify the parent or caretaker as specified in § 3042.156 (relating to notice confirming voluntary withdrawal).

No changes were made to this section from proposed to final-form rulemaking.

§ 3042.88. Child abuse reporting

This section establishes that eligibility agencies shall immediately report suspected child abuse in accordance with the Child Protective Services Law and Chapter 3490 (relating to protective services).

No change was made to this section from proposed to final-form rulemaking.

CO-PAYMENT AND PAYMENT BY THE DEPARTMENT

§ 3042.91. General co-payment requirements

Subsection (a) establishes that the eligibility agency shall determine the amount of the parent's or caretaker's co-payment during the eligibility process based on the parent's or caretaker's actual or verified anticipated income and family size.

Subsection (b) establishes that the eligibility agency will set the co-payment at an initial determination of eligibility for subsidized child care and reestablish it at each successive redetermination of eligibility.

Subsection (c) establishes that the co-payment covers each child in the family who is receiving subsidized child care.

Subsection (d) establishes that the co-payment includes each day of the week for which the family establishes a need for child care.

Subsection (e) establishes that the co-payment is due on the first day of the service week and each week thereafter, regardless of the day the parent or caretaker enrolls the child.

No changes were made to subsections (a)-(e) from proposed to final-form rulemaking.

On final-form, new subsection (f) establishes that co-payments cannot increase during the eligibility period unless the provisions in § 3042.176 (relating to collection) apply. This addition is in response to a public comment suggesting the additional subsection for clarity.

§ 3042.92. Department's payment

Subsection (a) establishes that the payment rate is the daily amount paid to a child care provider for services delivered to a child who is eligible for subsidized child care.

Subsection (b) establishes that if the co-payment does not exceed the payment rate for care, the difference between the payment rate and the weekly co-payment is the Department's payment for subsidized child care.

Subsection (c) establishes that if the Department's weekly payment to the provider is less than \$5, the family is not eligible for subsidized child care with that provider.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.93. Adjusted co-payment for prospective work

Subsection (a) establishes that upon notification by the parent or caretaker of receipt of payment for employment, the eligibility agency shall adjust the family co-payment no later than 20 days following the date of the reported change and shall provide notice to the parent of the planned change in co-payment.

Subsection (b) establishes that the parent or caretaker shall begin paying the adjusted co-payment starting the first day of the service week following the date the written notice is postmarked or hand-delivered to the parent or caretaker by the eligibility agency.

Subsection (c) establishes that a single parent or caretaker who applies for subsidized child care and who reports prospective work is not required to pay a co-payment until the parent or caretaker receives income from work.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.94. Parent or caretaker co-payment requirements

Subsection (a) establishes that if the co-payment is decreased as the result of a parent or caretaker voluntarily reporting a change or as the result of a redetermination, the parent or caretaker shall begin paying the reduced co-payment on the first day of the service week

following the date the parent or caretaker reported a change or the date the redetermination was completed.

Subsection (b) establishes that if the co-payment is increased as the result of a redetermination, the parent or caretaker shall begin paying the increased co-payment on the first service day of the week following the expiration of the notification period specified in § 3042.151(a) (relating to general notification requirements) advising the parent or caretaker of the co-payment increase.

Subsection (c) establishes that if the co-payment is due on the first day of the service week and each week thereafter, regardless of the day the parent or caretaker enrolls the child.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.95. Delinquent co-payment

Subsection (a) establishes that a co-payment is delinquent if it is not paid by the last day of the service week.

Subsection (b) establishes that on the day the provider reports the co-payment is delinquent, the eligibility agency shall notify the parent or caretaker in writing that action will be taken to terminate subsidy for the child.

Subsection (c) establishes that if a co-payment is delinquent, the eligibility agency will apply the first payment paid during a week to the current week's co-payment. The eligibility agency will apply subsequent payments during a week to the delinquent co-payment.

Subsection (d) establishes that to maintain eligibility for subsidized child care when a parent or caretaker incurs a co-payment delinquency, the parent or caretaker shall pay all amounts owed prior to the expiration of the notification period.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.96. Eligibility agency responsibilities regarding co-payment

Subsection (a) establishes that the eligibility agency shall generate notices based on delinquent co-payments.

Subsection (b) establishes that the eligibility agency shall send the provider a copy of each notice issued to a parent or caretaker whose child is enrolled with the provider.

Subsection (c) establishes that when a co-payment is reported to the eligibility agency as delinquent, the eligibility agency shall mail a notice to the parent or caretaker. The notice must state that service will be terminated on a date set forth on the notice, which is the first day after 10 calendar days following the date of the written notice, unless the delinquent co-payment is paid by that date.

Subsection (d) establishes that a family whose subsidy is terminated for failure to make required co-payments may not be reauthorized for subsidy until all outstanding co-payments have been paid in full as specified in § 3042.95(d) (regarding to delinquent co-payment).

Subsection (e) establishes that the eligibility agency shall retain a copy of the termination notice.

Subsection (f) establishes that the eligibility agency shall distribute, to each parent or caretaker who applies for subsidized child care, a handbook of parent's rights and responsibilities in the subsidized child care program provided by the Department.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.97. Use of the Federal Poverty Income Guidelines and State Median Income

Subsection (a) establishes that the FPIG is used to determine the income limits and co-payments for subsidized child care.

Subsection (b) establishes that the Department will publish an updated co-payment chart in Appendix B (relating to co-payment chart) through a notice in the *Pennsylvania Bulletin*.

Subsection (c) establishes that the eligibility agency shall inform each parent or caretaker of the dollar amount that is equivalent to 235% of FPIG or 85% of the SMI.

No changes were made to subsections (a), (b) or (c) from proposed to final-form rulemaking.

Subsection (d) establishes that the eligibility agency shall explain that 235% of FPIG and its specific dollar figure are the highest annual income amounts permitted at the time of redetermination.

Subsection (d) was changed to improve clarity by providing that the eligibility agency shall inform each parent or caretaker.

Subsection (e) establishes that the eligibility agency shall explain that 85% of the SMI and its specific dollar figure are the highest annual income amounts permitted between redeterminations.

Subsection (e) was changed to improve clarity and to add a requirement for the eligibility agency to inform each parent or caretaker that 85% of the SMI and the specific dollar amount that is the highest permitted between redeterminations. The amendment was in response to a public comment requesting that a requirement be added that mirrors subsection (d) and that advises of the specific dollar amount of income that will result in a loss of eligibility between redeterminations, as discussed in the Department's comment and response document.

Subsection (f) establishes that a family is ineligible at any time if its annual income exceeds 85% of the SMI. The provision is unchanged from the proposed subsection (e).

§ 3042.98. Co-payment determination

Subsection (a) establishes that the criteria the eligibility agency must use when determining the family co-payment, which are family size and family income; a minimum co-payment of at least \$5, unless waived; the family co-payment cannot exceed 11% of the family's annual income; and if the family's annual income is 100% of FPIG or less, the annual co-payment cannot exceed 8% of the family's annual income.

Subsection (a)(1) was amended on final-form rulemaking to correct a typographical error.

Subsection (a)(2) was amended on final-form rulemaking to correct citation errors following feedback from IRRC and following numbering changes at final-form to the provisions regarding waivers.

Subsection (a)(3) was amended on final-form rulemaking to replace "11%" with "7%" and to ensure consistency with subsection (a)(2).

Subsection (a)(4) was amended on final-form rulemaking to replace "8%" with "5%."

As discussed above and the Department's comment and response document, the amendments to subsections (a)(3) and (a)(4) were made in response to a comment received during the public comment period requesting changes to ensure that family co-payments do not exceed 7% of family income to reflect the CCDF benchmark. The Department notes the federal benchmark is and has been set to 7% since 2016, and that the rate is based on data from the U.S. Census Bureau indicating that on average, between 1997 and 2011, the percent of monthly income families spent on child care was constant at around 7%. Consistent with CCDBG provisions relating to equal access, the federal benchmark states that as CCDF assistance is intended to offset the disproportionately high share of income that low-income families spend on child care to support parents in achieving economic stability, CCDF families should not be

expected to pay a greater share of their income on child care than reflects the national average. As well, the Department notes that this Commonwealth's announced approach to lower co-payments to 3-7 percent is consistent with the federal benchmark that co-payments do not exceed 7 percent.

The section was amended on final-form rulemaking to change subsection (a)(4) to replace 8% with 5%, so that families with an annual income of 100% of FPIG or less do not pay co-payments that exceed 5% of the family's annual income. The change to 5% reflects a pro-rata adjustment for consistency with the change made in subsection (a)(3), and it is consistent with the federal benchmark and all CCDBG provisions, including those relating to equal access. Finally, regarding the commentator who requested for eligibility agencies to maintain timely communications with child care providers about changes in the status of children and families enrolled in the program with respect to eligibility, suspension or redetermination, so as not to increase the financial burden on providers, the Department explained that eligibility agencies are already advised to maintain timely communications with child care providers.

Subsection (b) establishes that the eligibility agency shall determine the co-payment by using the co-payment chart in Appendix B (relating to co-payment chart).

No change was made to subsection (b) from proposed to final-form rulemaking.

§ 3042.99. Co-payment exceeding monthly payment for care

Subsection (a) establishes that if the co-payments for 1 month are equal to or exceed the monthly payment for care, the family is not eligible for subsidized child care with that provider. The family must enroll the child or children with another eligible provider as specified in § 3042.12 (relating to parent choice).

Subsection (b) establishes that if the co-payments for 1 month are equal to or exceed the monthly payment for care because other children in the family are currently on the waiting list, the family may choose to suspend the child's care with that provider until funding becomes available to enroll other children in the family in care.

No change was made to this section from proposed to final-form rulemaking.

ELIGIBILITY REDETERMINATION

§ 3042.101. Eligibility redetermination

Subsection (a) establishes that the eligibility agency shall complete a redetermination of eligibility no less than every 12 months and establish the family's next redetermination date.

Subsection (b) establishes requirements for the eligibility agency prior to redetermination.

No changes were made to subsections (a) and (b) from proposed to final-form rulemaking.

Subsection (c) establishes that the parent's or caretaker's annual income must meet the requirements set forth in § 3042.31(c) (relating to financial eligibility).

Subsection (c) was amended on final-form rulemaking to correct a typographical error, replacing "parent" with "parent's."

§ 3042.102. Procedures for redetermination

Subsection (a) establishes that no earlier than 6 weeks prior to redetermination, the eligibility agency shall send the family a form that lists the factors that will be reviewed for the redetermination of eligibility and explain the verification that will be needed to complete the redetermination.

Subsection (b) establishes that if the parent or caretaker submits only some of the required verification elements prior to the redetermination, the eligibility agency shall request in writing

that the parent or caretaker submit the additional verification no later than the family's redetermination date.

Subsection (c) establishes that the eligibility agency shall retain a copy of the notification in the family file.

Subsection (d) establishes that the eligibility agency shall send a written notice to the parent or caretaker regarding failure to provide required verification only after the family's redetermination date.

Subsection (e) establishes that the eligibility agency shall require the parent or caretaker to complete, sign, and either mail, hand-deliver, fax or electronically submit the applicable form at each redetermination.

No change was made to this section from proposed to final-form rulemaking.

FORMER TANF FAMILIES

§ 3042.111. General provisions for former TANF families

Subsection (a) establishes that a family that is no longer eligible for TANF cash assistance benefits or a family that voluntarily left the TANF program and meets the eligibility requirements specified in this chapter may qualify for subsidized child care.

Subsection (b) establishes that the eligibility agency shall review the information received from the CAO about a parent or caretaker who formerly received TANF benefits.

Subsection (c) establishes that the eligibility agency shall determine the date TANF benefits ended and establish the 183-day period after eligibility for TANF benefits ends, within which the parent or caretaker may receive child care benefits.

Subsection (d) establishes that eligibility for former TANF child care benefits shall begin the day following the date TANF benefits ended and shall continue for 183 consecutive days.

Subsection (e) establishes that the parent or caretaker may request child care benefits at any time during the 183-day period after eligibility for TANF ended.

Subsection (f) establishes that the eligibility agency may not place a child on a waiting list if a former TANF parent or caretaker requests subsidized child care for that child any time prior to 184 calendar days after TANF benefits ended.

Subsection (g) establishes that a family is not eligible for former TANF benefits if a parent or caretaker is currently disqualified from receiving TANF benefits as specified in §§ 255.1(c) and 275.51 (relating to restitution and disqualification policy; and imposing the disqualification).

No change was made to this section from proposed to final-form rulemaking.

§ 3042.112. General requirements for former TANF families

Subsection (a) establishes conditions a parent or caretaker must meet during the 183-day period after eligibility for TANF benefits ended or after a family voluntarily left the TANF program.

Subsection (b) establishes that a former TANF parent or caretaker who is transferred to the eligibility agency by the CAO or who applies for subsidized child care during the 183-day period after eligibility for TANF ended as specified in subsection (a) shall not be placed on a waiting list.

Subsection (c) establishes that the eligibility agency shall complete a redetermination of eligibility and establish the family's next redetermination date as specified in § 3042.101(a) (relating to eligibility redetermination).

Only subsection (a)(3) was amended on final-form rulemaking to correct a citation following feedback received from IRRC noting the error. The rest of the provisions were unchanged from proposed to final-form rulemaking.

§ 3042.113. Notification requirements for former TANF families

Subsection (a) establishes that if the eligibility agency determines that a parent or caretaker met the requirements in § 3042.112 (relating to general requirements for former TANF families) and was receiving child care on the date TANF benefits ended, the eligibility agency shall notify the parent or caretaker of the family's eligibility status and the date the 183-day former TANF period will expire.

Subsection (b) establishes the notification requirements for the eligibility agency to send to the parent or caretaker if the eligibility agency determines that a parent or caretaker was not receiving child care or cannot determine whether the parent or caretaker was receiving child care on the date TANF benefits ended.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.114. Personal interview requirements for former TANF families

As revised, subsection (a) establishes that when the parent or caretaker contacts the eligibility agency within 183 days after TANF benefits end, the eligibility agency must inform the parent or caretaker of the requirement to attend a personal interview with the eligibility agency. The personal interview shall occur no later than 30 calendar days following the date of the letter.

As revised, subsection (b) establishes that when the parent or caretaker contacts the eligibility agency in response to the letter specified in § 3042.113(b) (relating to notification

requirements for former TANF families), the eligibility agency shall schedule a personal interview with the parent or caretaker.

Subsection (c) establishes that to maintain continuous child care payment from the day following the date TANF benefits ended, the parent or caretaker shall attend a personal interview with the eligibility agency as specified in § 3042.115 (relating to reporting requirements for former TANF families).

As revised, subsection (d) establishes that the eligibility agency may waive the requirement for the personal interview if the parent or caretaker has completed a personal interview with the eligibility agency within the previous 12 months.

All subsections were amended on final-form rulemaking to clarify the requirement and to ensure consistency of terminology with § 3042.56 (relating to personal interview). Specifically, the terminology “face-to-face meeting” was removed and replaced by “personal interview” in every subsection. The term “personal interview” was added to § 3042.3 (relating to definitions) to clarify that such interview is an informational meeting held between the parent or caretaker and the eligibility agency, and that it can take place in person, by telephone, or by other means approved by the Department. Because of the changes in terminology, the Department also changed the title of this section from “Face-to-face requirements for former TANF families” to “Personal interview requirements for former TANF families.” Finally, because “personal interview” permits flexibility in terms of how the meeting can occur, the Department removed proposed language from subsections (a), (b) and (c) referencing hardships and telephone contact because the revised terminology referencing the personal interview ensures flexibility for satisfying the requirement. The changes are consistent with changes made in §§ 3042.56,

3042.115 and 3042.117 (relating to personal interview; to reporting requirements for former TANF families; and to failure to contact the eligibility agency following the transfer).

§ 3042.115. Reporting requirements for former TANF families

This section establishes reporting requirements for former TANF families and requirements the eligibility agency must ensure, such as advising the parent or caretaker to report income in excess of 85% of the SMI, and circumstances for when the eligibility agency must require a parent or caretaker to complete a subsidized child care application.

This section was amended on final-form rulemaking to ensure consistency of terminology in the final-form rulemaking. Specifically, the Department removed language to ensure consistency and removed “face-to-face meeting” and replaced it with “personal interview.” The change is consistent with changes made in §§ 3042.3, 3042.56, 3042.114 and 3042.117 (relating to definitions; to personal interview; to personal interview requirements for former TANF families; and to failure to contact the eligibility agency following transfer).

§ 3042.116. Verification of transfer of TANF benefits

This section establishes requirements relating to the verification of transfer of TANF benefits inside the State or from another state.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.117. Failure to contact the eligibility agency following the transfer

Subsection (a) establishes that if a parent or caretaker who was receiving child care on the date TANF benefits ended fails to contact the eligibility agency in response to the letter specified in § 3042.113(a) (relating to notification requirements for former TANF families), the eligibility

agency shall contact the parent or caretaker by telephone no later than 31 calendar days following the date of the letter.

As revised, subsection (b) establishes that when the eligibility agency contacts the parent or caretaker, the eligibility agency shall determine the family's choice to participate in the personal interview and the parent's continuing need for child care.

Subsection (c) establishes that if the eligibility agency determines that the parent or caretaker was not receiving child care or cannot determine whether the parent or caretaker was receiving child care on the date TANF benefits ended, the eligibility agency may not authorize payment for child care benefits until the date the parent or caretaker contacts the eligibility agency and requests benefits.

As revised, subsection (d) establishes that if a parent or caretaker who was receiving child care on the date TANF benefits ended does not attend a personal interview as specified in § 3042.114(a) (relating to personal interview requirements for former TANF families), the eligibility agency shall contact the parent or caretaker by telephone no later than the day following the date the parent or caretaker failed to attend the personal interview to determine the information specified in subsection (b).

This section was amended on final-form rulemaking to ensure consistency of terminology in the final-form rulemaking. Specifically, the Department in subsections (b)(1) and (d) removed references to "face-to-face meeting" and replaced the language with "personal interview." The changes are consistent with changes made in §§ 3042.56, 3042.114 and 3042.115 (relating to personal interview; to personal interview requirements for former TANF families; and to reporting requirements for former TANF families).

§ 3042.118. Payment authorization for former TANF families

Subsection (a) establishes that the eligibility agency must review a request from a parent or caretaker to authorize child care payment at any time during the 183-day period after eligibility for TANF benefits ended.

Subsection (b) establishes that the eligibility agency must authorize child care payment at any time during the 183-day period after eligibility for TANF ended.

Subsection (c) establishes that the eligibility agency will not pay child care costs that exceed the maximum child care allowance minus the family co-payment for the type of care the child received from the provider

No change was made to this section from proposed to final-form rulemaking.

§ 3042.119. Retroactive payment for former TANF families

Subsection (a) establishes that if the eligibility agency authorizes payment to an eligible provider that is currently participating in the subsidized child care program for a parent or caretaker who was receiving child care on the date TANF benefits ended, the authorization is retroactive to the day following the date TANF benefits ended.

Subsection (b) establishes that if the eligibility agency determines that the parent or caretaker was not receiving child care or cannot determine whether the parent or caretaker was receiving child care on the date TANF benefits ended, the eligibility agency shall require the parent or caretaker to submit verification of child care costs incurred during the 183-day period after eligibility for TANF ended.

Subsection (c) establishes that the eligibility agency shall authorize payment to an eligible provider that is currently participating in the subsidized child care program for the parent or

caretaker specified in subsection (b) retroactive to the date the parent or caretaker first incurred child care expenses.

Subsection (d) establishes that if the eligibility agency determines that the parent or caretaker has selected an ineligible provider, it shall inform the parent or caretaker that the parent or caretaker shall contact the eligibility agency to discuss child care arrangements within 30 calendar days as specified in § 3042.12 (relating to parent choice).

No change was made to this section from proposed to final-form rulemaking.

§ 3042.120. Transfer from other states

Subsection (a) establishes the conditions for eligibility a parent or caretaker must satisfy if the parent or caretaker received TANF program benefits in another state and applies for subsidized child care.

Subsection (b) establishes that the eligibility agency must determine the date TANF benefits ended in the other state and establish eligibility for the 183-day period after eligibility for TANF ended as specified in § 3042.111 (relating to general provisions for former TANF families).

No change was made to this section from proposed to final-form rulemaking.

§ 3042.121. Expiration of TANF benefits

Subsection (a) establishes that a parent or caretaker who was receiving child care on the date TANF benefits ended and who has exhausted the 5-year limit on TANF benefits is eligible for up to 92 calendar days of subsidized child care to seek work.

Subsection (b) establishes that the eligibility agency must determine the date TANF benefits ended and establish the period of former TANF eligibility as specified in § 3042.111 (relating to general provisions for former TANF families).

Subsection (c) establishes that the parent or caretaker may apply at any time during the 183-day period after eligibility for TANF ended.

Subsection (d) establishes that the maximum period of potential eligibility for former TANF child care benefits under this section is 183 days.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.122. Verification of expiration of TANF benefits

This section establishes what constitutes acceptable verification of expiration of TANF benefits.

No change was made to this section from proposed to final-form rulemaking.

HEAD START

§ 3042.131. General provisions for Head Start

Subsection (a) establishes that a child who is enrolled in a Head Start program, whose parent or caretaker needs extended hours or days of child care beyond the hours or days provided by the Head Start program to work, is eligible for subsidized child care under this section if the parent or caretaker meets the eligibility requirements for subsidized child care as specified under § 3042.132 (relating to eligibility determination for Head Start) each time a child in the family applies for Head Start special eligibility.

Subsection (a) was amended on final-form rulemaking to correct a citation following feedback received from IRRC noting the error.

Subsection (b) establishes that the eligibility agency must verify with the Head Start program that the child is enrolled in a Head Start program that meets Federal and State Head Start standards.

Subsection (c) establishes that if a child in the family as specified in § 3042.41 (relating to family size) is enrolled in the Head Start program, the family co-payment is based on family size and income. If additional children in the family are enrolled in subsidized child care, the family co-payment is based on family size and income.

Subsection (d) establishes that if extended hours or days of care are provided beyond the Head Start program hours or days, a facility that has a certificate of compliance by the Department as a child care facility shall provide the extended hours and days of care.

Subsections (b), (c) and (d) were not changed from proposed to final-form rulemaking.

§ 3042.132. Eligibility determination for Head Start

This section establishes six listings of criteria that parents and caretakers must satisfy to continue in the Head Start special eligibility program. The criteria include verifications of work hours, extended hours, income eligibility, compliance with the required waiting list conditions, payment of the co-payment, and the requirement to report within 10 days when a child is no longer enrolled in Head Start.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.133. Eligibility redetermination for Head Start

Subsection (a) establishes that the eligibility agency may not complete a redetermination prior to the expiration of the 12-month eligibility period as specified in § 3042.101(a) (relating to eligibility redetermination) upon receiving notification that a child is no longer enrolled in a Head Start program.

Subsection (b) establishes that the eligibility agency shall conduct a redetermination when the child is no longer enrolled in the Head Start program, if the 12-month redetermination period has expired as specified in § 3042.101(a).

Subsection (c) establishes that the eligibility agency shall conduct a redetermination as specified in § 3042.101 if the family has additional children who are not enrolled in Head Start but receive subsidized child care. A family that includes a child enrolled in a Head Start program and a child who is not enrolled in a Head Start program is subject to redetermination requirements as specified in § 3042.101(a).

Subsection (d) establishes that eligibility for a child enrolled in a Head Start program is unrelated to the eligibility of other children in the family who are not enrolled in a Head Start program and receive subsidized child care. Eligibility for a child enrolled in a Head Start program shall continue as specified in this section.

Subsection (e) establishes that the eligibility agency shall conduct a redetermination between the time a child is no longer enrolled in Early Head Start and the time the child enters Head Start.

No change was made to this section from proposed to final-form rulemaking.

WAIVERS AND PERIODS OF PRESUMPTIVE ELIGIBILITY

As provided above, following feedback received noting confusion and clarity issues on the differences between waivers and presumptive eligibility, the Department reorganized §§ 3042.141-3042.147 to improve clarity by stating all of the substantive waiver requirements first, and then listing the requirements for presumptive eligibility. Specifically, the proposed §§ 3042.144-3042.147 are the final-form §§ 3042.141-3042.144, respectively. Similar, the proposed §§ 3042.141-3042.143 are the final-form §§ 3042.145-3042.147. The Department notes that the existing Chapter 3041 permits waivers for domestic violence only, and this final-form rulemaking extends waivers to also apply for families experiencing homelessness. As such, waivers only apply under this final-form rulemaking to families experiencing domestic violence or homelessness. Regarding implementation, granting a waiver excuses the parent or caretaker from meeting certain requirements for up to 92 days. As explained above, the Department reiterates that once the waiver period expires, the parent or caretaker must provide the verification that was waived or must begin paying the co-payment, or both. If these requirements are met, eligibility and payment will continue for the rest of the 12-month eligibility period. If one or more of the waived requirements are not met, or if the individual is determined ineligible, subsidy will be terminated, and a notice of adverse action will be sent as specified under § 3042.155 (relating to notice of adverse action). The family may satisfy the waived requirements at any time before the subsidy is terminated, and once satisfied, the subsidy will continue for the remainder of the eligibility period. If a waiver is denied, the eligibility agency will send a notice explaining the basis for the denial, the right to appeal, the verification that is required to be submitted to grant the waiver and the associated time frames for meeting the verification requirements, and notification of the evidence or information needed to substantiate

the waiver request and the associated time frames for the providing the information. If denied, the family is not eligible for subsidized child care, and the eligibility agency will generate an ineligible notice as specified under § 3042.144 (relating to general notification requirements for waivers). If granted, the eligibility agency will review the circumstances at redetermination to determine whether a new domestic violence waiver or a waiver for homelessness is warranted. Further, if a waiver is not requested to be renewed, the parent or caretaker may apply for a period of presumptive continued eligibility at redetermination as specified under the final-form rulemaking.

There are two types of presumptive eligibility. The first is specifically only for families experiencing homelessness, and that is why the requirement is stated differently than the requirement for domestic and other violence. This is because for families struggling with homelessness, the CCDBG requires the Department to establish procedures to ensure the initial eligibility of children experiencing homelessness while required documentation is obtained. This final-form rulemaking establishes periods of presumptive eligibility for children experiencing homelessness to ensure the satisfaction of this CCDBG requirement. *See* 45 CFR § 98.51.

Next, the Department notes that presumptive continued eligibility under the final-form rulemaking is available to any family who satisfies the requirements at redetermination. Specifically, any family who is not meeting the work hours requirement but has a job to return to within 92 days can be determined presumptively eligible and maintain services. In this scenario, the redetermination is completed on day 92 and if the parent or caretaker is satisfying the work hours requirements, then eligibility will continue for the remainder of the 12-month eligibility period. If the parent or caretaker is not meeting the work hours requirements, then the eligibility

agency will take the necessary steps to terminate the temporary eligibility with proper notification to the family as required under § 3042.155 (relating to notice of adverse action).

§ 3042.141. General waiver requirements

This section establishes and clarifies general waiver requirements, and that generally, eligibility agencies may grant waivers for a family experiencing domestic or other violence or for homelessness.

Aside from reordering, no change was made to this section from proposed to final-form rulemaking.

§ 3042.142. Time frame for waiver determinations

This section establishes that eligibility agencies must act on a waiver request no later than 15 calendar days after the date of the request.

Aside from reordering, no change was made to this section from proposed to final-form rulemaking.

§ 3042.143. General verification requirements for waivers

This section establishes that the Department's form can be used as acceptable verification of domestic violence or homelessness.

Aside from reordering, no change was made to this section from proposed to final-form rulemaking.

§ 3042.144. General notification requirements for waivers

This section establishes requirements for eligibility agencies to provide written notice to the parent or caretaker of its decision to grant or deny the waiver request.

Aside from reordering, no change was made to this section from proposed to final-form rulemaking.

§ 3042.145. Domestic and other violence

Subsection (a) establishes the reasons for when the eligibility agency will grant a waiver under this section.

Subsection (b) establishes that the eligibility agency may grant a waiver if compliance with a requirement of this chapter would either make it more difficult for a family or household member to escape domestic violence or place a family or household member at risk of domestic violence.

Subsection (b) was amended on final-form to clarify that the requirement applies except as otherwise provided under this chapter.

Subsection (c) establishes the list of six requirements that may not be waived.

Subsection (d) establishes that verification requirements and the amount of the co-payment can be waived for a period not to exceed 92 days.

Subsection (d) was amended on final-form to state the requirement consistently with § 3042.146(f) so that it is clear that requirements may be waived for a temporary period not to exceed 92 days. Subsection (d)(1) was also amended on final-form rulemaking to conform to citation standards.

On final-form, new subsection (e) establishes that, except as specified in subsections (c) and (d), the eligibility agency will grant a domestic violence waiver for the balance of the 12-month eligibility period following verification being provided to the eligibility agency. This language was amended for consistency. The amendment ensures that domestic violence waivers,

once granted, will permit eligibility for the balance of the eligibility period for these vulnerable, at-risk families. The Department notes that currently, a domestic violence waiver permits eligibility for the maximum eligibility period under the duly promulgated regulations in Chapter 3041 of six months. Because the minimum eligibility period is increased to 12 months under this final-form rulemaking, the extension to the updated, minimum required period of 12 months ensures consistency with the CCDBG and ensures the continued protection of these vulnerable families.

On final-form, new subsection (f) establishes that the eligibility agency shall utilize and accept the department's form providing for verification by documentary evidence, third party statement or self-certification as acceptable verification of domestic violence. The addition came about following the Department's review to clarify the process for establishing eligibility under this section. Specifically, the requirements in paragraph (1) clarify that if verification pursuant to the Department's form is not provided prior to expiration of the 92-day period specified in subsection (d), or if the family is determined ineligible, the eligibility agency will take the necessary steps to terminate the temporary eligibility with proper notification to the family as specified in § 3042.155 (relating to notice of adverse action). Next, the requirements in paragraph (2) clarify that if a family is determined ineligible or fails to provide the required verifications, any services received during the 92-day period are not considered an error or improper payment. The eligibility agency will pay any amount owed to a child care provider for services provided. The added requirements clarify the process for determinations under this section and the consequences for failing to provide the required verification. The added requirements are also consistent with the Department's current framework for waivers. The Department notes these changes are also responsive to feedback received during the public

comment period asking for the Department to ensure that families experiencing domestic violence are no worse off under this final-form rulemaking than before. As such, these vulnerable individuals will receive 12 months of continuous eligibility following verification under this section. The Department notes the congruity of this requirement with the requirement under § 3042.146(g) for families who are experiencing homelessness. The added subsection is consistent with § 3042.143 (relating to general verification requirements for waivers) and was added to emphasize the verification requirement for families experiencing domestic or other violence and to state the requirements for eligibility for these families more completely.

Aside from the reordering and the citation correction, there were no changes to the remainder of this section. Regarding IRRC's inquiry regarding implementation of this waiver, the Department reiterates that granting a waiver excuses the parent or caretaker from meeting certain requirements for up to 92 days, and that the waiver is subject to the requirements specified under §§ 3042.141-3042.144. Specifically, the eligibility agency must act on waiver requests within 15 calendar days after the date of the request. Whether the waiver is granted or denied, the eligibility agency will send a notice as specified under § 3042.144 (relating to general notification requirements for waivers).

§ 3042.146. Homelessness

Subsection (a) establishes that at the time of application, the eligibility agency may grant a period of presumptive eligibility to a parent or caretaker who is experiencing homelessness for a temporary period not to exceed 92 calendar days. This subsection restates the proposed subsection (d).

Subsection (a) was amended on final-form rulemaking to clarify that a period of presumptive eligibility is a temporary period not to exceed 92 calendar days.

On final-form, new subsection (b) establishes that a parent or caretaker who is experiencing homelessness may be permitted to substitute job search activities to meet the work requirement specified in § 3042.33 (relating to work, education and training) for the duration of the period of presumptive eligibility for a temporary period not to exceed 92 calendar days. This subsection restates language that was proposed under the definition of “period of presumptive eligibility.”

On final-form, new subsection (c) establishes that a parent or caretaker may be permitted to self-certify their status as experiencing homelessness as specified under § 3042.63 (relating to self-certification) to qualify for and be granted a period of presumptive eligibility for a temporary period not to exceed 92 calendar days. The addition clarifies that self-certification can be used to qualify for and be granted a period of presumptive eligibility for families who are experiencing homelessness.

On final-form, new subsection (d) establishes that except as specified in subsections (e) and (f), the eligibility agency will grant a waiver to families who are experiencing homelessness for the balance of the 12-month eligibility period following verification being provided to the eligibility agency. The Department notes the congruity of this requirement with the requirement under § 3042.145(e), and that the added requirement is consistent with the minimum 12-month eligibility periods required under the CCDBG.

Subsection (e) establishes and lists the six requirements that cannot be waived. Specifically, these six requirements are the following: (1) age of the child; (2) income limits; (3) state residency; (4) citizenship; (5) the number of paid absences; and (6) the minimum number of

hours of work, education or training as specified under § 3042.33 (relating to work, education and training), subject to the provisions in subsection (b). This subsection restates the proposed subsection (b).

Subsection (e) was amended on final-form to add a paragraph clarifying that the work requirement is waived only during the initial period of presumptive eligibility. Because the minimum eligibility period is now 12-months, the change is necessary to clarify that the work requirement is not waived entirely, but only during the initial period of presumptive eligibility. The Department reiterates that presumptive eligibility is used to satisfy the CCDBG requirement for Lead Agencies to provide for a process to ensure that work requirements do not operate as a barrier to eligibility. *See* 45 CFR § 98.51 (relating to services for children experiencing homelessness). The change clarifies that the work requirement during presumptive eligibility permits substitution of job search activities to satisfy the work requirement, as required by the CCDBG.

Subsection (f) establishes and lists the requirements that can be waived for a temporary period not to exceed 92 calendar days. Specifically, they are the amount of the co-payment as well as the verification requirements specified under §§ 3042.61—3042.73. This subsection is based on the proposed subsection (c).

Subsections (f) was amended in preparation of the final-form rulemaking to conform to citation standards. There were otherwise no changes.

On final-form, new subsection (g) establishes that the eligibility agency will use and accept the Department's form providing for verification by documentary evidence, third party statement or self-certification as acceptable verification of homelessness. The addition clarifies the requirement for verification of homelessness and for the consequences for failing to provide

the required verifications. The Department notes the congruity of this requirement with the requirement under § 3042.145(f) for families who are experiencing domestic or other violence. This subsection is consistent with § 3042.143 and was added here to emphasize the verification requirement for homelessness and to state the requirements for eligibility for families experiencing homelessness more completely.

Subsection (h) establishes that following expiration of the temporary 92-day period of presumptive eligibility, the eligibility agency may establish a new 12-month eligibility period and reset the redetermination due date. This subsection is based on the proposed subsection (e).

Subsection (h) was amended on final-form to change the wording of the requirement to ensure accuracy and consistence with the Department's process, and to state the requirement more clearly. Specifically, the word "full" is removed and the requirement is restated using permissive language to clarify the eligibility agency may establish a new period. If verifications are not provided or the family is determined ineligible, the eligibility agency will not do a redetermination or reset the due date but will instead end the eligibility following the required notice as specified under § 3042.155 (relating to notice of adverse action).

Regarding implementation, the Department reiterates the final-form rulemaking is adding homelessness as a waiver in addition to the waiver for domestic violence, which is already authorized under the duly promulgated regulations in Chapter 3041, and so the waiver process is the same. The Department notes that provisions similar to subsections (a) and (b) are not under the waiver requirements for domestic violence because the provisions permit substitution of job search activities for the work requirements, consistent with the provisions of the CCDF under 45 CFR § 98.51 (regarding services for children experiencing homelessness). The amendments to this subsection clarify that a period of presumptive eligibility permits substitution of job search

activities to meet the work requirement for a temporary period not to exceed 92 calendar days, and that such period can be granted at application to a parent or caretaker who is experiencing homelessness. The Department notes that presumptive eligibility at application applies only to families experiencing homelessness, and at application, a parent or caretaker who is experiencing homelessness and who is not meeting the work requirement can be presumptively eligible for up to 92 days to do a job search, and if the parent or caretaker is not meeting the work requirement by the 92nd day, the family is no longer eligible following the eligibility agency's issuance of a notice of adverse action, as specified under § 3042.155 (relating to notice of adverse action). The Department notes the described procedures are now clarified in the final-form subsection (g).

All amendments for this section were made to improve clarity and ensure consistency, and because of the changes made to the definition of "period of presumptive eligibility." This section was also reorganized and reordered from proposed to final-form rulemaking for clarity.

§ 3042.147. Presumptive continued eligibility at redetermination

As revised, subsection (a) establishes that the eligibility agency may grant a temporary period of presumptive continued eligibility to a parent or caretaker at redetermination for a period not to exceed 92 calendar days from the date of the redetermination.

Subsection (a) was amended on final-form rulemaking to clarify that the eligibility agency may grant a temporary period of presumptive continued eligibility at redetermination for a period not to exceed 92 calendar days from the date of the redetermination. Further, the listed circumstances in subsections (a)(1) through (a)(3) were deleted on final-form rulemaking for clarity. The amendments were made in response to feedback from IRRC requesting explanation regarding a conflict with the proposed definition of "period of presumptive eligibility" and

clarification of the requirements. The Department notes the timing provisions from the proposed definition of “period of presumptive eligibility” were added also in response to IRRC’s request to remove the timing provisions from the definition into the body of the regulations to clarify that a period of presumptive eligibility is temporary and shall not exceed 92 calendar days from the date of the redetermination. The changed terminology to “period of presumptive continued eligibility” better describes the eligibility because this section concerns eligibility at the time of the redetermination, and so the parent or caretaker has already been determined eligible for the previous 12-month period and is currently receiving subsidized child care based on the prior eligibility determination. This section prevents families from needless cycling on and off from services, and the changed terminology better reflects the purpose of the requirement. The Department reiterates that “period of presumptive continued eligibility” was added to the definitions section under § 3042.3 to clarify the term refers to a temporary period of eligibility that is established at redetermination as provided for in this section. The Department notes that a period of presumptive eligibility applies at the time of application, whereas a period of presumptive continued eligibility applies only at redetermination.

On final-form, new subsection (b) establishes that in order for a parent or caretaker to be granted a period of presumptive continued eligibility at redetermination, the parent or caretaker shall submit verification of work, education or training that satisfies the work-hour requirement as specified in § 3042.33 (relating to work, education and training) that is set to begin prior to the expiration of the temporary 92-day period specified in subsection (a), unless the provisions in § 3042.146 (relating to homelessness) apply. The addition clarifies how a parent or caretaker can be granted a period of presumptive continued eligibility at redetermination. The requirement also is clear that verification that work, education or training that satisfies the work requirements

is set to begin prior to the expiration of the temporary 92-day period specified in subsection (a), unless the provisions in § 3042.146 apply. This addition is in response to feedback from IRRC noting clarity and ambiguity concerns with the proposed section. The addition also states the requirement more completely.

Subsection (c) establishes that prior to the expiration of the temporary 92-day period of presumptive continued eligibility, the eligibility agency will verify the parent or caretaker has begun work, education or training and is compliant with the work-hours requirement specified in § 3042.33 (relating to work, education and training). This subsection is based on the proposed subsection (b).

Subsection (c) was amended on final-form rulemaking to restate the requirement to reference that the eligibility agency must verify prior to the expiration of the temporary period that the parent or caretaker has begun work, education or training and is in compliance with the work-hours requirement. The amendment was made to clarify and state the requirement more consistently with the Department's current process by changing the language to require verification prior to expiration of the temporary period of presumptive continued eligibility.

On final-form, new subsection (d) establishes that if the parent or caretaker has not begun work, education or training as specified in subsection (b), or is otherwise determined ineligible prior to the expiration of the 92-day period, the eligibility agency shall take the necessary steps to terminate the temporary eligibility with proper notification to the family as specified in § 3042.155 (relating to notice of adverse action). The addition clarifies the requirements following feedback from IRRC. The added provision clarifies that the temporary eligibility will be terminated in cases where the parent or caretaker has not begun work, education, or training prior to expiration of the temporary period.

On final-form, new subsection (e) establishes that if a family is determined ineligible at any time during a temporary period of presumptive continued eligibility, any services received during the 92-day period are not considered an error or improper payment. The eligibility agency will pay any amount owed to a child care provider for services provided during the temporary period of presumptive continued eligibility. The addition is following feedback from IRRC noting ambiguity and clarity issues with this section. The added requirement is consistent with the provisions in §§ 3042.145(f)(2) and 3042.146(g)(2). Specifically, the provisions clarify that if a family is determined ineligible at any time during the period of presumptive eligibility, any services received during the 92-day period are not considered an error or improper payment. Further, the added requirements clarify that the eligibility agency will pay any amount owed to a provider for services rendered during the temporary period of presumptive continued eligibility.

Subsection (f) establishes that at the end of a 92-day temporary period of presumptive continued eligibility, the eligibility agency will complete a redetermination to establish the 12-month eligibility period and reset the redetermination due date. This subsection is based on the proposed subsection (c).

Subsection (f) was amended on final-form to clarify the 92-day period is with reference to the temporary period of presumptive continued eligibility. The provision was also changed to remove the word “full” from the requirement so that the requirement is clear that the eligibility agency will complete a redetermination to establish the 12-month eligibility period and reset the redetermination due date at the end of the 92-day period.

Finally, because this section was reorganized and because of clarity issues with this section, the title was changed to “Presumptive continued eligibility at redetermination.”

The amendments for this section were made for clarity and consistency in response to feedback from IRRC and because of changes made to the definition of “period of presumptive eligibility.” Further, the Department reiterates that “period of presumptive continued eligibility” was added on final-form under § 3042.3 to clarify that at redetermination, a parent or caretaker can maintain eligibility using the specified period of presumptive eligibility provided they have work, education or training that will begin prior to expiration of the temporary period. The Department reiterates that this requirement will help to ensure that families do not needlessly cycle on and off services. Finally, this section was also reordered from proposed to final-form rulemaking to improve clarity.

NOTIFICATION AND RIGHT TO APPEAL

§ 3042.151. General notification requirements

Subsection (a) establishes that the eligibility office shall notify the parent or caretaker in writing no later than 10 calendar days prior to taking an action that affects the family's eligibility status for subsidized child care or a change in the amount of the family's subsidized child care benefit.

Subsection (a) was amended on final-form rulemaking to delete the word “notify” and add language to clarify that the eligibility agency shall issue written notification to the parent or caretaker no later than 13 calendar days prior to taking an action that affects the family's eligibility status for subsidized child care or a change in the amount of the family's subsidized child care benefit. These amendments were made based on a comment received that the period between notice and action on the case should be expanded, similar to MA, SNAP, and TANF, in recognition of significant mailing delays, as explained more fully in the Department's comment

and response document. The Department carefully considered the commentator's request, and after follow-up discussions with the commentator, the commentator requested the regulations mirror and provide for the authorization that is programmed into the Department's system that is used for the subsidized child care program, Pennsylvania's Enterprise to Link Information for Children Across Networks (PELICAN). To further address these concerns, and to ensure the requirement is stated for consistency as requested by the commentator, the Department deleted the phrase "in writing" and added the language "issue written notification" to ensure the requirement is clear and is consistent with the Department's process for sending notifications.

Subsection (b) establishes requirements for sending the written notice described in subsection (a) to the parent or caretaker; for notifying the child care provider as soon as a family is determined eligible or ineligible; and for the child care provider to retain a copy of the notice in the family file.

No change was made to subsection (b) from proposed to final-form rulemaking.

§ 3042.152. Notice of right to appeal

This section establishes and lists the information that must be included in a notice of the right to appeal.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.153. Notice of eligibility

This section establishes the listing of information that must be included on a written notice of eligibility on a form provided by the Department.

This section was amended on final-form rulemaking in subsection (b)(3) of the requirement to correct the title of a cited section that was changed on final-form rulemaking.

§ 3042.154. Notice of ineligibility

This section establishes and lists the information that must be included on a written notice of ineligibility on a form provided by the Department.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.155. Notice of adverse action

Subsection (a) establishes that the eligibility agency shall send a notice to a parent or caretaker currently receiving subsidy when the eligibility agency proposes to terminate subsidy payment.

Subsection (b) establishes that the eligibility agency shall prepare a notice of adverse action on a form provided by the Department.

Subsection (c) establishes and lists the information that must be included in a notice of adverse action.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.156. Notice confirming voluntary withdrawal

Subsection (a) establishes that the eligibility agency shall, by written notice to the parent or caretaker, confirm the parent's or caretaker's voluntary withdrawal of a child from subsidized child care.

Subsection (b) establishes that the notice confirming voluntary withdrawal must be on a form provided by the Department.

Subsection (c) establishes and lists the information that must be included in a written notice confirming voluntary withdrawal.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.157. Notice confirming a change in benefits

Subsection (a) establishes that the eligibility agency shall, by written notice to the parent or caretaker, confirm a change in the parent's or caretaker's subsidized child care benefits when the change does not affect the family's eligibility. Changes in benefits include a change in the number of days or hours during which the child is enrolled, subsidy suspension and subsidy disruption.

Subsection (b) establishes that the notice confirming a change in benefits must be on a form provided by the Department.

Subsection (c) establishes and lists the information that must be included in a written notice confirming a change in benefits.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.158. Notice confirming a change in co-payment

Subsection (a) establishes that the eligibility agency shall, by written notice to the parent or caretaker, confirm a change in the family co-payment amount.

Subsection (b) establishes that the notice confirming a change in co-payment must be on a form provided by the Department.

Subsection (c) establishes and lists the information that must be included in a written notice confirming a change in co-payment.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.159. Notice of overpayment

This section establishes and lists the requirements for written notices that confirm an overpayment.

No change was made to this section from proposed to final-form rulemaking.

APPEAL AND HEARING PROCEDURES

§ 3042.161. Appealable actions

This section establishes in what cases the parent or caretaker has the right to appeal a determination of the Department.

This section was amended on final-form rulemaking in paragraph (1) to correct a citation following feedback received from IRRC noting the citation error, and to correct the title of a cited section that was changed on final-form rulemaking. Paragraph (4) was updated on final-form following changes made to reorganize the requirements for waivers. Because of the addition of § 3042.22 (relating to subsidy termination) on final-form, the Department added subsection (8) here to clarify that subsidy terminations under § 3042.22 may be appealed.

§ 3042.162. Discontinuation of subsidy during the appeal process

Subsection (a) establishes that subsidy is not continued pending a hearing decision if the parent or caretaker appeals the disruption of subsidy when the eligibility agency lacks funding to continue subsidy to a child.

Subsection (b) establishes that subsidy is suspended pending a hearing decision if the parent or caretaker fails to make timely payment of the co-payment.

No changes were made to subsections (a) and (b) from proposed to final-form rulemaking.

On, final-form, new subsection (c) establishes that following a suspension under subsection (b), a subsidy will be reinstated pending the hearing decision if all co-payments are brought up to date. The addition is in response to a public comment suggesting the requirements allow, following a suspension, for the reinstatement of subsidy pending a hearing decision if the parent catches up on co-payments.

§ 3042.163. Subsidy continuation during the appeal process

Subsection (a) establishes the conditions for when subsidy will continue at the prior level until the Department hears the appeal and makes a final decision.

Subsection (a)(1) was amended at subsection (a)(1) of the final-form rulemaking in response to feedback from IRRC requesting clarification to establish a procedure with which the parent or caretaker will be able to comply. The word “received” was replaced by the word “delivered” to clarify that the appeal must either be postmarked by such date when sent by mail; or delivered by such date when sent by hand-delivery, facsimile or electronically. The same change was made in § 3042.166(b) (relating to hearing procedures), and the changes are consistent with the requirement under § 3042.165(b) (relating to eligibility agency responsibilities regarding appeal). There were no other changes in subsection (a).

Subsection (b) establishes that if subsidy continues as specified in subsection (a), the parent or caretaker shall continue to make timely payment of the co-payment that was in effect prior to issuance of the written notice until the Department makes a final decision as specified in § 3042.91 (relating to general co-payment requirements).

No change was made to subsection (b) from proposed to final-form rulemaking.

Subsection (c) establishes that if subsidy continues during the appeal process and the hearing officer finds in favor of the eligibility agency or the Department, the parent or caretaker shall reimburse the Department for the amount of the subsidy or increase in subsidy paid for child care from the proposed effective date of the written notice until the date subsidy is terminated or decreased, based on the final administrative action order.

No change was made to subsection (c) from proposed to final-form rulemaking.

§ 3042.164. Parent or caretaker rights and responsibilities regarding appeal

Subsection (a) establishes that a parent or caretaker appealing a written notice shall submit a written request to the eligibility agency in accordance with Chapter 275 (relating to appeal and fair hearing and administrative disqualification hearings) within 30 calendar days following notification. The parent or caretaker shall specify the reason for the appeal and the current address and a telephone number, if possible, where the parent or caretaker can be reached during the day.

Subsection (b) establishes that a parent or caretaker may orally appeal. The eligibility agency shall document the date of the oral appeal in the case file. The parent or caretaker shall confirm the oral appeal in writing to the eligibility agency no later than 7 calendar days following the date the parent or caretaker orally requested an appeal.

Subsection (c) establishes that a parent or caretaker may authorize an adult to represent the parent or caretaker at the hearing.

Subsection (d) establishes that if the parent or caretaker wants subsidy to continue pending a hearing decision, subject to § 3042.163 (relating to subsidy continuation during the appeal process), the parent or caretaker shall submit a written appeal no later than 10 calendar days following the date the written notice is postmarked or hand-delivered to the parent or caretaker by the eligibility agency.

Subsection (e) establishes that if the parent or caretaker requests that subsidy continue pending a hearing decision, the parent or caretaker shall make timely payment of the co-payment that was in effect prior to issuance of the written notice until the Department makes a final decision as specified in § 3042.91 (relating to general co-payment requirements).

No change was made to this section from proposed to final-form rulemaking.

§ 3042.165. Eligibility agency responsibilities regarding appeal

Subsection (a) establishes that if the parent or caretaker is unable to prepare a written appeal, the eligibility agency shall assist the parent or caretaker in preparing a written appeal. The parent or caretaker shall sign the appeal request.

Subsection (b) establishes that when the eligibility agency receives an appeal that is timely postmarked or delivered, the eligibility agency shall date-stamp the appeal, the envelope and the attachments with the date of receipt and retain copies of all original appeal information.

Subsection (c) establishes that the eligibility agency shall keep a copy and forward the original appeal along with the postmarked envelope to the Department's Bureau of Hearings and Appeals no later than 3 working days following the date the appeal is received by the eligibility agency.

No changes were made to subsections (a)-(c) from proposed to final-form rulemaking.

Subsection (d) establishes that the eligibility agency may not take the proposed adverse action until 13 calendar days following the date the written notice is postmarked or hand-delivered to the parent or caretaker and then only if the parent or caretaker has not filed an appeal. Subsidy may be continued at the prior level only if the parent or caretaker meets the requirements in § 3042.163 (relating to subsidy continuation during the appeal process).

Subsection (e) establishes that the eligibility agency may take the proposed adverse action before 13 calendar days following the date a provider closes for financial difficulties or loss of certification or if funding is not available to continue subsidized care to the child.

Subsections (d) and (e) were amended on final-form rulemaking in response to a public comment received noting the period between notice and action on the case should be expanded as was done for MA, SNAP, and TANF, in recognition of significant mailing delays. The time

periods in subsections (d) and (e) were changed from 10 to 13 calendar days, as explained in the Department's comment and response document.

§ 3042.166. Hearing procedures

Subsection (a) establishes that Chapter 275 (relating to appeal and fair hearing and administrative disqualification hearings) applies to hearings that are held under this chapter, except as specifically superseded by this chapter.

No change was made to subsection (a) from proposed to final-form rulemaking.

Subsection (b) establishes that the Department will dismiss an appeal postmarked or delivered after 30 calendar days from the date the written notice is postmarked or hand-delivered to the parent or caretaker unless one of the provisions allowing for appeals after 30 calendar days applies as specified in § 275.3(b)(2) and (3) (relating to requirements).

Subsection (b) was amended on final-form rulemaking in response to feedback from IRRC requesting clarification to establish a procedure with which the parent or caretaker will be able to comply. Similar to § 3042.163 (relating to subsidy continuation during the appeal process), the word "received" was replaced by the word "delivered" to clarify the appeal must be either postmarked by such date when sent by mail; or delivered by such date when sent by other methods, such as hand-delivery, facsimile or electronically.

Subsection (c) establishes that the hearing may be conducted by a telephone conference call with the parties to the appeal, including the parent or caretaker, the authorized representative of the parent or caretaker, the eligibility agency, the Department and the hearing officer.

Subsection (d) establishes that the parent or caretaker has the right to request a face-to-face hearing instead of a telephone hearing. Face-to-face hearings will be held in locations specified by the Department.

Subsection (e) establishes that if a parent or caretaker does not withdraw an appeal, the eligibility agency, or the Department, if appropriate, will take part in the scheduled hearing to justify the action to which the parent or caretaker objects.

Subsection (f) establishes that if the eligibility agency or the Department fails to appear at the hearing and the parent or caretaker appears, the parent's or caretaker's appeal will be sustained.

Subsection (g) establishes that if the parent or caretaker fails to appear for the hearing, regardless of whether the eligibility agency or the Department appears, the appeal is considered abandoned and the decision of the eligibility agency or the Department will be sustained.

Subsection (h) establishes that the Department will notify the eligibility agency and the parent or caretaker, in writing, when disposition of the appeal is made.

Subsection (i) establishes that the eligibility agency shall implement the final administrative action within the time limit ordered by the Department or on the first day child care is needed in the week following receipt of the final administrative action order.

No changes were made to subsections (c)-(i) from proposed to final-form rulemaking.

OVERPAYMENT AND DISQUALIFICATION

§ 3042.171. Overpayment

This section establishes when a parent or caretaker can be required to repay an overpayment.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.172. Eligibility agency responsibilities regarding overpayment

Subsection (a) establishes that the eligibility agency shall inform a parent or caretaker who files an appeal and requests subsidy continuation pending appeal that, if the hearing decision is in favor of the eligibility agency or the Department, the parent or caretaker shall reimburse the amount of the overpayment unless the hearing officer determines a hardship.

Subsection (b) establishes that the eligibility agency shall pursue possible overpayments in active and closed cases, including those that were voluntarily closed.

Subsection (c) establishes the responsibilities of the eligibility agency when exploring possible overpayments.

Subsection (d) establishes that the eligibility agency shall refer all cases of suspected provider fraud to the Office of Inspector General.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.173. Delaying recoupment

Subsection (a) establishes that recoupment shall be delayed until after a hearing decision, if the family files an appeal of the overpayment decision no later than 10 calendar days after the date the written notice is postmarked or hand-delivered to the parent or caretaker by the eligibility agency.

Subsection (b) establishes that recoupment shall be delayed for cases referred to the Office of Inspector General for suspected fraud until the investigation is complete.

Subsection (c) establishes that the method of recoupment in cases of suspected fraud will be determined in conjunction with the Office of Inspector General.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.174. Notifying the Department

This section requires that the eligibility agency notify the Department when recoupment stops before the overpayment is fully recouped.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.175. Repayment

This section establishes the requirement that a parent or caretaker shall repay the full amount of the overpayment.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.176. Collection

Subsection (a) establishes that the eligibility agency shall collect the total amount of the overpayment from a family whose child continues to receive subsidized child care when the eligibility agency identifies an overpayment as specified in § 3042.172 (relating to eligibility agency responsibilities regarding overpayment).

Subsection (b) establishes requirements for the eligibility agency in cases where the Department, eligibility agency or other entity identifies an overpayment unrelated to fraud, subject to repayment as specified in § 3042.171 (relating to overpayment), related to a family whose child continues to receive subsidized child care.

Subsection (c) establishes that when the Office of Inspector General has determined fraud in an active case, the eligibility agency shall determine collection methods in conjunction with the Office of Inspector General.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.177. Co-payment increase related to overpayment

Subsection (a) establishes that a co-payment increase for the purpose of collecting an overpayment may not exceed an amount greater than 5% of the family's gross monthly income. If the parent or caretaker indicates to the eligibility agency that an increase to 5% would cause hardship to the family, the family and the eligibility agency may agree to a lesser amount.

Subsection (b) establishes that a parent or caretaker may choose to increase the co-payment beyond the amount specified in subsection (a) to repay an overpayment in a shorter period of time.

Subsection (c) establishes that the eligibility agency shall issue a written notice before implementation of an increase in the co-payment for a new eligibility period.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.178. Collection for a family whose child is no longer in care

Subsection (a) establishes that the eligibility agency shall collect the total amount of the overpayment as specified in § 3042.172 (relating to eligibility agency responsibilities regarding overpayment) from a family whose child is no longer receiving subsidized child care if the eligibility agency identifies an overpayment.

Subsection (b) establishes requirements for the eligibility agency in cases where the Department, eligibility agency or other entity identifies an overpayment unrelated to fraud, for a family whose child is no longer receiving subsidized child care.

Subsection (c) establishes that when the Office of Inspector General has determined fraud in a case when the child is no longer in care, the eligibility agency shall determine the collection methods in conjunction with the Office of Inspector General.

Subsection (d) establishes that the Department may institute civil legal proceedings when the parent or caretaker fails to respond to the second letter.

No change was made to this section from proposed to final-form rulemaking.

§ 3042.179. Disqualification

Subsection (a) establishes criteria for when a parent or caretaker is disqualified from participating in the subsidized child care program.

Subsection (b) establishes and lists the penalties for disqualification from participation in the subsidized child care program.

Subsection (c) establishes that a parent or caretaker may not be granted a hearing on a court conviction or administrative disqualification hearing decision that led to the disqualification.

No change was made to this section from proposed to final-form rulemaking.

Accomplishments and Benefits

The final-form regulation will ensure compliance with the Federal law and allow the Commonwealth to continue to receive Child Care and Development Block Grant funds. This final-form rulemaking benefits parents and caretakers, the provider community, and the eligibility agencies. Stable child care is critical to strengthening parents' and caretakers' ability to go to work, improving their prospects in the job market and increasing their earning potential. In addition, continuity in child care is important for creating the stable conditions children need for their healthy development and preparing for school.

The final-form regulation will benefit all low-income children and families that receive subsidy, families transitioning off Temporary Assistance for Needy Families (TANF) benefits,

providers receiving subsidy payments, as well as the eligibility agencies. Safe, stable environments allow young children the opportunity to develop the relationships and trust necessary to comfortably explore and learn from their surroundings. Research has demonstrated a relationship between child care stability and social competence, behavior outcomes, cognitive outcomes, language development, school adjustment and overall child well-being. Adams, G. and Rohacek, M. (2010). "Child Care Instability: Definitions, Context, and Policy Implications." The Urban Institute, page 6. Retrieved from <https://www.urban.org/research/publication/child-care-instability-definitions-context-and-policy-implications>.

Affected Individuals and Organizations

The Department notes that the final-form regulation will benefit at least 83,000 children from as many as 49,000 families who receive subsidized child care services at the more than 7,000 total providers (regulated and relative providers). If enrollments return to pre-pandemic levels, the final-form regulation may benefit as many as 105,000 children from as many as 61,000 families who may receive care from as many as 8,200 total providers, for no less than 12 months of subsidized child care before the family's eligibility for subsidized child care services is redetermined. Of the total number of providers, whether at the current level or at pre-pandemic levels, there are approximately 5,100 regulated providers, ranging from independently-owned family child care homes to corporations that employ thousands of individuals. Of the 5,100 regulated providers, approximately 3,600 are considered small businesses. There are also 19 Early Learning Resource Centers that serve as the eligibility agency that will benefit from this final-form rulemaking.

Children and their parents or caretakers are most directly affected by this final-form rulemaking as it relates to eligibility, the reporting of changes during the eligibility period, and

verification. The required minimum 12-month eligibility periods and the required changes to the reporting requirements will provide families with stable and continuous access to subsidized child care services regardless of temporary changes in circumstances of the parent or caretaker during the eligibility period as families work toward economic security. Consistent with the CCDBG, the final-form rulemaking expands the minimum eligibility period from 6 months to 12 months during which time eligible families have continuous access to subsidized child care assistance irrespective of temporary changes in circumstances of the parent or caretaker during the eligibility period. Unemployment and job loss are disruptive to any family, but either occurrence can be especially detrimental to low-income families and their children because none are likely to have well-defined support systems. The providers that serve families receiving subsidized child care will benefit when families maintain eligibility for no less than 12 months because their enrollments will remain stable. Child care providers will also be better able to plan for staffing issues and may experience greater financial stability with more predictable income. Notable, employers that depend on working parents from these families will benefit because their employees will have more stable care for their children for at least 12 months, and so they will be able to get to work reliably and are likely to be more productive. Under this final-form rulemaking, the Department notes that staff working at child care facilities will be able to qualify for subsidized child care. With the minimum eligibility period being doubled under this final-form rulemaking to 12 months rather than the 6 months authorized under the duly promulgated regulations in Chapter 3041, the Department notes that the workloads of the eligibility agencies may decrease.

The final-form rulemaking will stabilize families' access to child care subsidy, which in turn, will help stabilize their employment, education or training, and their child's healthy

development. The Department reiterates this improved stability may also stabilize the revenues of child care providers that receive subsidy payments, as they experience more predictable, reliable and timely payments for services. While families in the long term may have to wait longer to receive help paying for child care, once the funding is available, these families will remain eligible for longer periods of time, and so their children will have a more stable child care experience, which increases the chances for success in that these children will enjoy better outcomes and improved levels of school readiness. The Department noted that continuity and stability of child care contribute to improved job stability and are important to a family's financial health, and furthermore, that family stability is undermined by policies that result in unnecessary disruptions and limitations on access to subsidized child care. This is primarily why the Department declined the option under the CCDBG to discontinue eligibility early due to job loss after first providing for a three-month period of eligibility. The Department studied the optional requirement and determined it would have applied to only 1% of families, and that the level of effort needed to track work history, job-search activity, and establish the necessary system changes is outweighed by the *de minimis* fiscal savings, if any. The Department therefore determined that a requirement establishing early termination requirements in such regard would be contrary to the stated purposes and goals of the CCDBG.

As such, parents and caretakers will not need to report a loss of work or a decrease in work hours during the eligibility period. Also, parents and caretakers need only report changes in income in excess of 85% of the State Median Income, or when circumstances change that otherwise impact on the family's eligibility status or the Department's ability to contact the family or pay providers. The final-form regulation also ensure that the family's co-payment cannot increase during the eligibility period. These changes all support both family financial

stability and the relationship between children and their child care providers, and they are requirements of the CCDBG. These changes represent a dramatic simplification in terms of reporting requirements for parents and caretakers. These changes will allow more families to be eligible for longer periods before having to provide verification to establish continued eligibility, thereby promoting the continuity and stability of care.

The final-form rulemaking also benefits low-income parents or caretakers who are employed, searching for employment, or attending a training program, by reducing unnecessary verifications that operate as barriers to access. Low-income parents and caretakers are also benefitted by ensuring co-payments do not exceed 7% of the family's income, which is consistent with the federal benchmark since 2016 and ensures the Department's ability to satisfy CCDF requirements relating to affordability and equal access. See 45 CFR § 98.45 (relating to affordability and equal access).

Next, the final-form rulemaking establishes periods of presumptive eligibility for children experiencing homelessness. The CCDBG requires the Department establish procedures to ensure the initial eligibility of children experiencing homelessness while required documentation is obtained. This final-form rulemaking therefore establishes periods of presumptive eligibility for children experiencing homelessness to ensure the satisfaction of this CCDBG requirement.

Similarly, the final-form rulemaking establishes presumptive continued eligibility at redetermination for parents and caretakers who have a job to return to that is verified to begin prior to the expiration of the presumptive period of eligibility. Such requirement is consistent with the CCDBG. The Department reiterated that historically, families have cycled in and out of the CCW program. Parents or caretakers would find jobs, lose jobs, and then lose their eligibility and subsidy. Children would leave their early care and education program only to

need services again in a few months, by which time they might be placed on a waiting list until funds became available. This cycling in and out is disruptive to a child's ability to learn and to a parent's or caretaker's ability to work and is not an effective use of taxpayer dollars.

Presumptive eligibility may also help to further stabilize enrollments for providers and families, better promote continuity of care for the children, and otherwise help parents achieve financial stability, which may help break the cycle of poverty. The final-form rulemaking therefore satisfies and is consistent with all requirements, purposes, and goals of the CCDBG.

Child care providers are also benefited by potentially ensuring a more stable and predictable income stream from the CCW program because of the longer 12-month eligibility periods required by the CCDBG. In recognition of the challenges that providers have faced since the beginning of the COVID-19 pandemic, the Department reiterates that since the time of proposed rulemaking, the CCW payment rates have been increased – once on March 1, 2021, and again on January 1, 2022. The Department acknowledges the difficulties faced by the regulated community, and notes that Pennsylvania was awarded \$452 million in discretionary funding from the American Rescue Plan Act of 2021, and that the Administration for Children and Families, Office of Child Care provided to the Department recommendations on the use of those funds. Consistent with the recommendations, the Department is making clear that a total of \$213.7 million is being used to support an increase to the subsidy base rates effective January 1, 2022, and that the initiative includes increases to the 60th percentile for subsidy base rates paid to regulated providers, as well as an increase of \$1 per day for relative providers. To further explain, the Department also increased and regionalized the base rates to meet the 40th percentile for subsidy base rates effective March 1, 2021, and so the Department is making clear that funds have been allocated to address these costs and fiscal impacts. The Department reiterates that it

conducted a review of data concerning equal access and affordability, as is required by the CCDF, and the Department determined there were remaining concerns over being able to demonstrate that by permitting the practice under § 3042.14(d), that doing so promotes affordability and equal access, as required. *See* 45 CFR § 98.45 (relating to equal access). The combination of previously low CCW payment rates, previously high co-payment rates exceeding the CCDF benchmark rate of 7%, and the previous allowance for a provider to charge a parent or caretaker the difference between the CCW payment rate and the provider's published payment rate, all necessitate the removal of § 3042.14(d) because the aggregate result was complemented with survey data on the number of providers that charged the difference between the CCW reimbursement rate and their private pay rate. The Department determined that continued allowance of the requirement under § 3042.14(d) would be contrary to the stated CCDF requirements relating to affordability and equal access. Simply put, if the proposed § 3042.14(d) were to remain in this final-form rulemaking, the Department would not be able to demonstrate how permitting the charges allowed under § 3042.14(d) promotes affordability and equal access, as required by the State Plan. The Department reiterates that removal of § 3042.14(d) is also in response to comments received expressing disapproval of the requirement. Strengthening the stability of providers who provide child care services is critical because provider instability can lead to instability in a parent's or caretaker's employment, which is an outcome that undercuts the core principles of the CCDBG, especially relating to continuity of care and equal access. Providers are further impacted because of the changes to the eligibility conditions for families currently provided services or that may be provided services in the future. In addition, children will remain eligible for a full 12-month eligibility period, so child care providers may experience stability in the monthly child care payment received from the Department for subsidized child

care services. Providers that receive CCDF funds may also experience more predictable and reliable payments for services.

Also, the final-form rulemaking prohibits enrollments and payments to providers for whom the Department has revoked or refused to renew a certificate of compliance, as specified under §§ 3042.12(b) and 3042.14(g). As for the numbers of families these changes will impact, the Department reiterates its above explanation and reiterates that during SFY 2021-2022 there were approximately 31 revocations or refusals to renew that impacted on 447 enrollments for a total of approximately \$250,000 of potentially lost revenue for providers. Notably, not all certified child care providers participate in the CCW program. The fiscal impact to providers and the impacts on parent choice for families are, therefore, minimal and are outweighed by ensuring that public funds are directed to providers meeting basic health and safety requirements to ensure the protection of the health and safety of this Commonwealth's most vulnerable and disadvantaged children, as consistent with the CCDF. Specifically, only providers whose certificate of compliance has been revoked or refused to renew by the Department's Bureau of Certification Services will be impacted because the Department will no longer pay for subsidized child care enrollments at these providers. The Department notes these providers can still provide services to private-pay families should the provider choose to appeal the determination of the Department's Bureau of Certification Services. The Department reiterates the statements from the preamble of the federal regulation, that "we cannot in good conscience continue to use any federal taxpayer dollars to support sub-standard child care for our nation's most vulnerable and disadvantaged children." The change is also consistent with the methods of administration of funds by the Department under the American Rescue Plan Act because subsidy funds are public

dollars that should not be paid to providers who are not meeting baseline health and safety requirements.

With respect to any lost enrollments, the Department is clarifying that the enrollments themselves may be at a certified family child care home, group child care home or child care center. In any case, however, the health and safety interests are the same, and federal taxpayer dollars should not be used at any of a family child care home, group child care home or child care center that is not meeting baseline health and safety standards. Further, the costs vary depending on the numbers of enrolled children who are receiving subsidized child care services. Finally, the Department is clarifying that the fiscal impact due to lost enrollments are the result of the facility's failure to comply with the Department's licensure regulations and not this final-form regulation. The Department reiterates that its eligibility agencies will assist families to locate another provider to ensure continuity of care, and that currently, the Department already assists families with locating another provider in cases where an emergency revocation to a facility is issued because circumstances at the facility justify immediate closure and removal of the children from care.

The final-form rulemaking may decrease the workload of the eligibility agencies, allowing more time for eligibility agencies to assist families to find child care and provide information about a parent's or caretaker's options regarding quality child care, which is consistent with CCDBG purposes and requirements. Eligibility agencies will also be able to refer families to services that encompass the total family's needs, such as providing referrals to other public programs including but not limited to Medical Assistance; the Children's Health Insurance Program; the Women, Infants and Children Program; and Early Intervention Services. Coordination efforts regarding these services also furthers the purposes of the CCDBG.

Fiscal Impact

The Department does not anticipate additional costs to local governments, the parents and caretakers receiving subsidized child care, or the eligibility agencies.

The Department acknowledges that removal of § 3042.14(d) (relating to payment of provider charges) may result in lost potential additional revenues to the child care providers who charge the difference between the CCW payment rate, and the rate charged to private pay family, which is estimated in the aggregate to be \$16.5 million. The Department reiterates that some of the lost revenue is offset by the Department paying a higher portion of the total reimbursement directly to the provider who charges the difference rather than the provider having to deal with a potentially higher level of delinquent copayment amount. Providers will, therefore, receive more of the CCW reimbursement amounts more reliably and on time from the Department. This estimate assumes that over one-third of all regulated providers that have a private pay rate greater than the CCW payment rate do in fact charge subsidy families the difference, either in full or in part. The Department notes that survey response data from the 2022 Market Rate Survey (MRS) was used to estimate the numbers of providers who charge some or all of the difference. The survey indicated that over 30% of regulated providers (over 25% for child care centers, over 40% of group child care homes, and nearly 50% of family child care homes) responded that CCW families typically pay the full difference, and that only approximately 7% of regulated providers (nearly 8% of child care centers, less than 5% of group child care homes, and over 7% of family child care homes) responded that CCW families typically pay more than the subsidy co-payment but less than the full difference. Apart from the estimate's assumption regarding the prevalence of charging the difference, the Department utilized 2019 CCW enrollments and provider pay rate available data to account for what regulated providers may

experience in revenue lost if program enrollments increase back to pre-pandemic levels. The Department reiterates that at the time of final-form rulemaking, the regulation may benefit as many as 83,000 children, but that as enrollments return, may benefit as many as 105,000 children. As explained previously, The Department reiterates that it is committed to continue to help stabilize and improve provider financial stability.

In making this decision, the Department balanced the competing interest between families and providers. The Department reiterates that the fiscal amount identified above also represents the amount of savings for families who will no longer be faced with the prospect of paying a disproportionately greater share of their income on child care costs compared to the national average, in contravention of the intent of the CCDF. Although the final-form rulemaking may result in a fiscal impact to certain providers of subsidized child care who charge the difference between their private rate and the CCW payment rate, the Department balanced its decision because the lost potential additional revenue to the regulated community is converted into savings for families receiving subsidized child care who are paying the difference. The Department reiterates that some of the lost revenue may be offset by the Department paying a higher portion of the total reimbursement directly to the provider rather than the provider having to deal with a potentially higher level of delinquent copayment amount. Providers will therefore receive more of the CCW reimbursement amounts more reliably and on time from the Department. Following review of the comments received and after extensive discussions with the federal Office of Child Care, the Department determined that remaining concerns over the fiscal impact to providers of removing the provision are outweighed by the substantial and direct costs to the Department, this Commonwealth, and to families across the Commonwealth if the provision is not removed. The Department reiterates the rising CCW payments over the last 12

months as well as its pledge to continue to work toward ensuring the CCW payment rate provides equal access to child care for low-income families.

With reference to the codified co-payment limitations under § 3042.98(a) (relating to co-payment determination), the estimated annualized cost to the Commonwealth so that co-payments do not exceed 7% of the family's annual income is \$44.3 million. This estimate was calculated by comparing the co-payments paid by families enrolled in subsidized child care using the previous methodology, which included 40 income brackets with co-payments ranging from 3% to 11% of income, to the co-payments that would be paid by those families using the now-implemented reduced co-payment methodology, which includes 40 income brackets with co-payments ranging from 3% to 7% of income. The difference was annualized and projected to reflect anticipated increased enrollments in subsidized child care to 98,200 children. The increase in cost is substantially outweighed by the benefits enjoyed by families who will no longer pay a disproportionately higher share of income on child care costs than reflects the national average. Further, the funding has been requested for fiscal year 2023-2024. ARPA Discretionary Funds will cover the full cost of the change in SFY 23-24 and partially cover the cost in SFY 24-25, after which time CCDF funds or state funds, or both, will cover the full cost. The Department reiterates that this Commonwealth's announced approach to lower co-payments to 3-7 percent is consistent with the federal benchmark that co-payments do not exceed 7 percent. Furthermore, § 3042.98(a) was changed following the Department's review at final-form to ensure consistency of the final-form provisions.

The final-form rulemaking ensures that families receiving subsidized child care services are provided uninterrupted services that support parental education, training, employment, and

continuity of care that minimizes disruptions to children's learning and development. *See* 45 CFR § 98.1 (relating to purposes).

Next, the Department reiterates that, under § 3042.15(c), it will not allow a parent or caretaker who owns a certified child care facility to be paid subsidy dollars to care for their own child, with reference to the definition of "child care." The final-form subsection is narrowly tailored such that it pertains only to situations where a parent or caretaker is the owner of a certified child care facility. To the extent there is such an impact, the Department determines that the cost is outweighed by the fact that subsidy dollars are scarce, public funds, and so this final-form subsection prohibits only situations in which the owners of certified child care facilities are paid subsidy dollars to care for their own children, in direct contravention of the definition of "child care."

Further, the Department will suspend the subsidy and cease payments to providers whose certificate of compliance is revoked or refused to renew by the Department's Bureau of Certification Services. Providers can still take private-pay families for situations involving appeals, but the Department reiterates the statements from the preamble of the federal regulation, that "we cannot in good conscience continue to use any federal taxpayer dollars to support sub-standard child care for our nation's most vulnerable and disadvantaged children." Consistent with the stated standard, the Department made changes to ensure that scarce, public funds are not paid to providers who cannot satisfy baseline health and safety requirements. The Department reiterates that the changes in 3042.12(b) and 3042.14(g) impact on 447 enrollments, or less than 1% of eligible children based on data from SFY 2021-2022.

There are valuable returns on investments with the new regulation that outweigh any potential costs. According to the Economic Report of the President (March 2014), investments

in early childhood development will reap economic benefits now and in the future. Immediate benefits include increased parental earnings and employment. Future benefits come when children who experience high-quality early care and education opportunities are prepared for success in school and go on to earn higher wages as adults. The final-form regulation further benefits parents or caretakers who may wish to enroll in school or a training program to establish or maintain eligibility for subsidized child care services.

Finally, research has also demonstrated the relationship between child care subsidies and the maternal labor force participation rate. Burgess, K., Chien, N., and Enchautegui, M. (2016). "The Effects of Child Care Subsidies on Maternal Labor Force Participation in the United States." *The Department of Health and Human Services*. Retrieved from https://aspe.hhs.gov/sites/default/files/migrated_legacy_files/171051/EffectsCCSubsidiesMaternalLFPBrief.pdf. The study recommends, among other things, that "as states work to implement new requirements in the reauthorized CCDBG Act, which governs CCDF funding, policymakers may want to consider the employment benefits of expanding access to child care subsidies to more low-income working families. Such an investment would likely improve labor force participation and employment rates among mothers. In addition, these improved employment outcomes are likely to have immediate economic benefits for families, which improve child development. Improved employment outcomes also help society through increased tax revenues in addition to the long-term human capital benefits of investments in young children." Consistent with this recommendation, the Department determines this final-form rulemaking expands access, improves the quality of care these families receive, better ensures health and safety, and particularly expands access for families dealing with homelessness and families seeking to enroll in education or training to better improve their long-term prospects for

employment, which by extension will improve on their income prospects, the healthy development of their children, and increased tax revenues to better ensure the availability of these services in the future for those who are struggling and are most at risk in society.

Paperwork requirements

The final-form rulemaking will result in reduced paperwork and recordkeeping for a parent or caretaker and the eligibility agency. A parent or caretaker will only be required to complete an eligibility redetermination every 12 months and not every 6 months. Consistent with CCDBG requirements, the final-form rulemaking also reduces reporting requirements for a parent or caretaker during the family's 12-month eligibility period; therefore, the need for a parent or caretaker to provide verification to the eligibility agency may also decrease.

Reduced reporting and paperwork requirements will remove unnecessary tracking of a parent's or caretaker's status by the eligibility agency. The reduction in paperwork and tracking may allow for more funding for direct services and will provide stability and continuity in the program. Policies that result in unnecessary disruptions to receipt of a subsidy, or other administrative processes that make it difficult for parents to maintain their eligibility and thus fully benefit from the support it offers, undermine family economic stability and are contrary to the CCDBG.

Regulatory Review Act

Pursuant to section 5.1(a) of the Regulatory Review Act (71 P.S. § 745.5a(a)), on March 23, 2023, the Department submitted a copy of this regulation to the IRRC and to the Chairpersons of the House Committee on Children & Youth and the Senate Committee on

Health & Human Services. In compliance with the Regulatory Review Act, the Department also provided the Committees and the IRRC with copies of all public comments received, as well as other documentation. In preparing the final-form regulation, the Department reviewed and considered all comments received from IRRC and the public.

In accordance with section 5.1 (j.2) of the Regulatory Review Act (71 P.S. § 745.5a (j.2)), this regulation was [deemed] approved by the Committees on _____. The IRRC met on _____ and approved the regulation.

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

Findings

The Department finds:

- (a) The public notice of intention to amend the administrative regulation by this Order has been given pursuant to sections 201 and 202 of the Commonwealth Documents Law (45 P.S. §§ 1201 and 1202) and the regulations at 1 Pa. Code §§ 7.1 and 7.2.
- (b) A public comment period was provided as required by law, and all comments were considered.
- (c) This final-form rulemaking does not enlarge the purpose of the proposed rulemaking published at 50 Pa.B. 6361.
- (d) That the adoption of this regulation in the manner provided by this Order is necessary and appropriate for the administration and enforcement of the Human Services Code.

Order

The Department, acting pursuant to the authority of Section 201(2), 403(b) and 403.1 of the Human Services Code (62 P.S. §§ 201(2), 403(b) and 403.1), orders:

- (a) The regulations of the Department, 55 Pa. Code Chapter 3041, are reserved and 55 Pa. Code Chapter 3042 are added to read as set forth in Annex A of this Order.
- (b) The Secretary of the Department shall submit this final regulation to the Offices of General Counsel and Attorney General for approval as to legality and form as required by law.
- (c) The Secretary of the Department shall submit this final regulation to the IRRC and the Chairpersons of the House Committee on Children & Youth and the Senate Committee on Health & Human Services as required by the Regulatory Review Act.
- (c) The Secretary of the Department shall certify and deposit this final-form regulation with the Legislative Reference Bureau as required by law.
- (d) This order shall take effect upon publication in the *Pennsylvania Bulletin* as final-form or on July 1, 2023, whichever is later.

***All comments except one were received by email.
The comment not sent by email was sent by fax, as notated below.***

Name of Commentator / Organization	First Name	Last Name	Email
MoMa Good Learning Center	Angel	Good	momagoodinc@verizon.net
Kids First	Jackie	Clouser, MS	jclouser@kidsfirstkids.com
Step by Step, Science Park	Rachel	Cessna	rachelc.sbs@gmail.com
Interfaith Hospitality Network of the Main Line	Elizabeth	Bertolet	Ebertolet@ihncares.org
Lehigh Valley Children's Centers	Charles	Dinofrio, M.Ed.	CDinofrio@LVCCOnline.org
Your Guardian Angel Preschool and Childcare	Nichol	Bilbay	bilbays@yahoo.com
First Up (SW chapter of PaAEYC)	Tyrone	Scott II	tyrone.scott@firstup.org
PennAEYC	Kimberly	Early	kearly@pennaeyc.org
Lene's Daily Child Care Inc.	Charlene	Rawlinson	lene@leneschildcare.com
Noah & Company Daycare & Preschool	Michele	Miller	noahandcodirector@comcast.net
Pennsylvania Partnerships for Children	Maggie	Livelsberger	mlivelsberger@papartnerships.org
The Hope Center	Carrie	Welton	carrie.welton@temple.edu
PA State Alliance of YMCAs	David	John, Jr.	djohn@psays.com
Community Justice Project	Peter	Zurflieh	pzurflieh@cjplaw.org
Trying Together	Emily	Neff	emily@tryingtogether.org
PACCA	Diane	Barber	diane.barber@pacca.org
Children's Hospital of Philadelphia	Tara	Dechert	DECHERTTE@EMAIL.CHOP.EDU
South Middleton School District	Liz	Knouse	EAKnouse@ship.edu
Lene's Daily Child Care Inc.	Tanya	Growells	Tanyag3@leneschildcare.com
Right from the Start			***[faxed] P.O. Box 65, 3570 Old Route 22, Hamburg, PA 19526

Comment Response Document for Final-Form Rulemaking –
#14-545 - Subsidized Child Care Eligibility

As provided in the Preamble to this final-form regulation, the Department published public notice at 50 Pa.B. 6361 (November 14, 2020) of proposed rulemaking to replace the Department's current chapter, Chapter 3041, with a new chapter, Chapter 3042. The Department received comments from 18 commentators during the 30-day public comment period and 2 letters from commentators after the close of the public comment period. The comments came from 9 child care operators and 11 advocacy organizations. The Department notes that one commentator, the Pennsylvania Child Care Association, provided a comment that was received twice, and so they were duplicates. After close of the public comment period, the Department also received comments from the Independent Regulatory Review Commission (IRRC), some of which echoed the comments received from CJP as well as other commentators. Also following public comment, the Department met via video-conference with CJP on four occasions to discuss their feedback. Specifically, the Department met with CJP on March 9, March 18, March 30, and April 6, 2021, during which times the Department and CJP jointly reviewed and discussed all of CJP's written comments. The following is a breakdown of the comments received during the public comment period and the Department's responses to the received comments.

General Comments – Chapter 3042

Two commentators agreed generally with the proposed rulemaking and offered no further suggestions or commentary. One of these commentators stated they were in favor of the proposed regulations and believed they will make significant strides toward bringing stability and continuity of care for families and vulnerable children who are at socioeconomic risk. The commentator said they believed stability will be increased for providers, and that as a provider operating in a county that has among the lowest maximum child care allowances (MCCAs) in the state, fiscal stability is continually threatened with even marginal variations in enrollment and subsidy eligibility. The other commentator said they agreed "with all of the proposed changes that were listed."

One additional commentator requested a major rate increase to provider reimbursement to assist providers to offer quality child care while ensuring health and safety.

Response

The Department thanks the two commentators for their support. The Department acknowledges and reiterates the commentator's feedback that this final-form rulemaking will bring about stability for families who are receiving subsidized child care, as well as the providers who care for these children. The Department appreciates the importance of fiscal stability as well. Because the final-form rulemaking prescribes 12-month eligibility periods, which are consistent with CCDBG requirements, the longer eligibility periods may assist providers to stabilize

enrollments and help ensure fiscal stability. The Department appreciates the commentator's observations that this final-form rulemaking promotes continuity of care, as consistent with CCDBG requirements.

Finally, the Department clarifies that payment rates were increased effective March 1, 2021, prior to this final-form rulemaking. Furthermore, the payment rate increased again on January 1, 2022. Specifically, the rates were aligned on a regional basis and then increased to promote and better address concerns over equal access, as is consistent with requirements of the CCDBG. See 45 CFR § 98.45 (relating to equal access).

§ 3042.3 – Definitions – “caretaker” and “self-employment”

The same commentator provided feedback in support of the changes to the definitions of “caretaker” and “self-employment,” and so the feedback is considered together here. Specifically, the commentator agreed with the expanded definition of “caretaker” to include the child's great-grandparent and a sibling who is 18 years of age or older. And similarly, the commentator agreed with removing the requirement from the definition of “self-employment” that self-employed parents or caretakers have earnings above the minimum wage.

Response

The Department thanks the commentator for their support and agreement with these definitions.

§ 3042.3 – Definitions – “education”

One commentator suggested changes to the definition of “education” that use the common abbreviation “GED” and that use the common terminology “High School Equivalency (HSE) degree, citing emails with between the commentator and Department staff.

Response

Following review of the feedback and after considering the changes that were made to the definitions of “training” as well as the additions of the terms “GED” and “HSE DEGREE” in section 3042.3, the Department agrees with the commentator's suggestion. The Department, therefore, added “GED” and “HSE degree” to this final-form definition because the programs may be considered training for purposes of the work requirement.

§ 3042.3 – Definitions – “family”

One commentator, citing to Section 658E(c)(2)(N)(i) of the CCDBG, suggested that every adult in the household be required to report their income, including live-in boyfriends and girlfriends. The commentator had several questions relating to several areas of the proposed rulemaking. For this area, the commentator asked, who determines which daycares are “high quality”? And are the children receiving any type of education while in this “high quality” daycare? Also, who

is making sure the parents are actively looking for work they are qualified to do? And how hard do these parents have to look for work? And if they are not working, how are they paying their co-pay? And how is a job search proven? Is someone ensuring that the parent or caretaker is actively looking for jobs they are qualified to do or just submitting applications for any position whether or not they are qualified?

The Independent Regulatory Review Commission (IRRC) also inquired regarding revisions to the definition of “family,” which as proposed in subparagraph (v) includes a child enrolled in post-secondary education. IRRC noted that subparagraph (v) does not encompass other types of education and instruction in the definition of “training.” IRRC asked the Department to revise the definition to incorporate all types of training.

Response

The Department thanks the commentators for their responses. Live-in boyfriends or girlfriends, however, are not members of the family as prescribed either by the current regulations, this final-form rulemaking or the CCDBG. As such, the Department declines to make this suggested change.

In addition, consistent with CCDBG requirements, the Department determines quality, which is represented by the Department’s Keystone STARS program, which supports all early childhood education programs to improve program quality. Children may receive varying levels of early childhood education depending on the program attended. Program selection, however, is the choice of the parent or caretaker. In response to the inquiry regarding eligibility, as provided in the Preamble and Annex, once eligibility is assessed and determined, the eligibility period is continuous for 12 months irrespective of any job loss.

As for the commentator’s question about job searches, the Department clarified that job searches are contemplated in the final-form regulations as relates to presumptive eligibility and homelessness. See, e.g., section 3042.146 (relating to homelessness). The Department does not monitor or regulate day-to-day job searches, but instead, consistent with CCDBG requirements, the Department offers training and technical assistance to providers as well as the eligibility agency to identify and serve children experiencing homelessness and their families, and to conduct outreach with families experiencing homelessness. See 45 CFR § 98.51 (relating to services for children experiencing homelessness).

Finally, the Department thanks IRRC for their review and added the suggested language to subsection (v) under the final-form definition of “family” to include the other types of education and instruction. Specifically, the Department added “adult basic education,” “English as a second language,” “GED program,” “an HSE degree,” “an internship,” “clinical placement,” “apprenticeship,” and “lab work or field work required by a training institution” to incorporate all types of training into the definition.

§ 3042.3 – Definitions – “fraud”

IRRC requested clarification about whether a parent or caretaker commits fraud when income exceeding 85% of the state median income (SMI) is not reported during the eligibility period and a child continues to receive subsidized child care.

Response

Fraud is not committed when income exceeding 85% of the SMI is not reported during the eligibility period. As provided in the final-form regulation, situations involving a parent or caretaker whose income exceeds 85% of the SMI during the eligibility period while continuing to receive subsidized care are treated as an overpayment. *See* sections 3042.172 and 3042.176 (relating to eligibility agency responsibilities regarding overpayment; and collection). Further, the language “at the time of application or redetermination” limits the definition of “fraud” to those specific instances, which more clearly involve affirmative representations of income.

§ 3042.3 – Definitions – “GED” and “HSE”

Following feedback from IRRC about the proposed definition of “period of presumptive eligibility,” the Department reviewed the rulemaking and determined that the terms “GED” and “HSE” should be added to definitions section. Under the final-form rulemaking, the Department defines “GED” as a general educational development program approved by the school or district or the Department of Education; and similarly, “HSE” is defined as a high school equivalency degree approved by the school district or the Department of Education. The Department added the terms “GED” and “HSE” into the final-form regulation under section 3042.3.

§ 3042.3 – Definitions – “homelessness”

IRRC recommended revising the definition of “homelessness” to include parents and caretakers. IRRC also requested the Department amend “subtitle” in subsection (iv) of the definition to the appropriate division of the regulations.

Response

Following feedback from IRRC, the Department added parents and caretakers to the definition of “homelessness.” Specifically, the Department added qualifying language referencing the child’s parent or caretaker, and also added a subparagraph (v) to the final-form definition to clarify the inclusion of parents and caretakers who are experiencing homelessness. The inclusion of parents and caretakers in the definition is consistent with the CCDF’s usage of homelessness because the CCDF references homeless families, which includes the child and the child’s parent or caretaker. *See* 45 CFR § 98.51. Finally, following IRRC’s feedback regarding the proposed wording in subparagraph (iv), the Department changed the word “subtitle” to “chapter” in the final-form definition.

§ 3042.3 – Definitions – “maternity or family leave”

IRRC observed that the proposed definition here incorporated by reference the definition of the term in the Family and Medical Leave Act of 1993. IRRC noted that the statute does not clearly define the term “maternity or family leave.” IRRC requested the Department to clarify the citation or define these types of leave. Finally, IRRC stated that their comment applied as well to sections 3042.19(c)(4) and 3042.147(a)(1) (relating to subsidy continuation; and presumptive continued eligibility at redetermination).

Response

Following feedback from IRRC and changes made to sections 3042.19(c)(4) and 3042.147(a)(1) (relating to subsidy continuation; and presumptive continued eligibility at redetermination), the Department removed the term “maternity or family leave” from the final-form rulemaking.

Following additional feedback from the commentators, the Department reorganized section 3042.19 and removed the term “maternity or family leave.” Similarly, following feedback from IRRC, the Department made changes to the definition of “period of presumptive eligibility” such that the term “maternity or family leave” was removed from section 3042.147(a)(1). Further, because the term was removed in both of these instances and is used only once in the final-form rulemaking at section 3042.68(3) (relating to verification of circumstances relating to a decrease in co-payment) with its ordinary dictionary definition, the Department also removed the term from the definitions section.

§ 3042.3 – Definitions – “owner or operator of a child care facility”

Similar to the removal of “maternity or family leave,” the Department also removed the term “owner or operator of a child care facility” from section 3042.3 since the term was neither codified in Chapter 3041, nor used in either the proposed rulemaking or this final-form rulemaking.

§ 3042.3 – Definitions – “period of presumptive eligibility”

IRRC recommended moving the substantive provisions of the proposed definition into the body of the regulations, noting that substantive provisions are prohibited in the definition section. IRRC also noted that the substantive definition prohibition also applies to the timeframes in the proposed definitions of “prospective work, education or training” and “self-declaration.”

Response

The Department thanks IRRC and agrees. The Department made several changes to remove the substantive provisions from definitions. Specifically, the final-form rulemaking was changed to remove the substantive provisions and to clarify the definitions.

The Department notes that following the changes made under sections 3042.3 and 3042.146, the Department determined the section heading for section 3042.147 should be updated to reflect that it relates to presumptive continued eligibility at redetermination. Because of this change, the Department also made changes to update the cross-referenced citation in section 3042.161(1).

The Department also made changes to remove the timeframes in the definitions of “prospective work, education or training” and “self-declaration” as requested by IRRC. Specifically, the Department changed each of the final-form definitions. For “prospective work, education or training,” the definition is clarified that it refers to future employment, education or training that has a begin date and is verified by the employer, school official or training official. For “self-declaration,” the definition is clarified that it is a written statement that is signed and dated and provided by the parent or caretaker for the purpose of establishing financial or nonfinancial eligibility. Following changes made in section 3042.64 at final-form to ensure consistency with minimum 12-month eligibility periods, the Department further modified the definition to clarify that self-declaration can be used for purposes of establishing financial or nonfinancial eligibility pending verification as described in section 3042.64. The Department notes that the parent or caretaker is notified when the self-declaration is accepted and is provided a date by which time verification must be provided.

Furthermore, following this feedback from IRRC, the Department removed the definition for “owner or operator of a child care facility” from section 3042.3.

In addition, as stated previously, the Department added the acronyms “GED” and “HSE” to the definitions section because the acronyms are used in more than one section of the chapter.

§ 3042.3 – Definitions – “prospective work, education or training”

When providing comment on the proposed definition for “period of presumptive eligibility,” IRRC stated the substantive timeframe should be removed and placed into the body of the regulations.

Response

The Department agrees. The Department removed the timeframe from the definition and clarified that it refers to future employment, education or training that has a begin date and is verified by the employer, school official or training official. The Department also clarified section 3042.34(a)(1) so that the 30-day time limit is stated with reference to the date the parent or caretaker signs and dates the application for subsidized child care.

Section 3042.34 permits parents or caretakers to be determined eligible if they have work, education or training that will begin no later than 30 days from the date the application was signed, only if the eligibility agency is provided with verification that the parent or caretaker has employment that will be starting. Further, section 3042.34 requires that subsidized child care will not begin until the parent or caretaker begins the work, education or training, and that the

parent or caretaker must notify the eligibility agency of the actual income amount no later than 10 calendar days after receiving the first income from work.

The Department emphasizes that the requirements for prospective work, education and training are wholly separate from presumptive eligibility. Presumptive eligibility is available at the time of application for families dealing with homelessness. Separately, presumptive continued eligibility applies only at redetermination and applies to parents or caretakers who have already been determined eligible but who may not qualify because of a recent job loss or being employed seasonally. This presumptive eligibility contrasts with the requirement for prospective work, education and training because the requirement concerns establishing eligibility for families who have not already been determined eligible. As such, the Department determined that permitting self-declaration to satisfy the verification requirements under section 3042.34 must be prohibited because once eligibility has been determined, the eligibility period lasts a minimum of 12 months. The Department notes that although self-declaration requires follow-up documentation within 30 days, once eligibility has been determined, the eligibility must last a minimum of 12 months, and so permitting verification by self-declaration at all runs contrary to the requirement that work, education or training will begin no later than 30 days after signing and dating the application.

§ 3042.3 – Definitions – “self-declaration”

When providing comment on the proposed definition for “period of presumptive eligibility,” IRRC stated the substantive timeframe included in the proposed definition of “self-declaration” should be removed from the definition and placed into the body of the regulations.

Response

The Department agrees. The Department removed the timeframe from the final-form definition and clarified that it refers to a written statement that is signed and dated and provided by the parent or caretaker for the purpose of establishing financial or nonfinancial eligibility pending verification as described in section 3042.64. The changes were made in response to IRRC’s feedback and following the Department’s review at final-form to ensure consistency with the required minimum 12-month eligibility periods. The Department notes that § 3042.67(6) was removed at final-form because self-declaration requires follow-up documentation within 30 days, and meanwhile, under this final-form rulemaking, once eligibility has been determined, the eligibility period lasts a minimum of 12 months, as consistent with the CCDF.

§ 3042.3 – Definitions – “training”

One commentator suggested changes to the proposed definition to include all forms of adult education, including the two most common – GEDs and HSEs.

IRRC also requested clarification about whether in the proposed definition of “training” it was necessary to specify the length of time of a postsecondary degree program, and whether subparagraph (ii) can be clarified to include additional types of adult education and

postsecondary study. IRRC referenced the commentator's feedback observing the definition "includes some, but not all forms of adult education, including the two most common."

Response

The Department appreciates the feedback from IRRC and the commentator. After a careful review, the Department changed subparagraph (ii) to remove the timeframes for the postsecondary degree program and added the two most common forms of adult education to the definition – GED and HSE programs.

§ 3042.11 – Provision of subsidized child care

One commentator suggested adding clarifying language that aligns with the language used in 45 CFR § 98.20(a)(1)(ii), by inserting into subsection (d) here the words "physically or mentally."

Response

The Department agrees and adds the language under section 3042.11(d). The Department also clarified that this added language is consistent with the requirements under 45 CFR § 98.20(a)(1)(ii) as well as with the final-form definition of "disability" under section 3042.3 (relating to definitions).

§ 3042.12 – Parent choice

One commentator inquired if a relative provider is exempt from the inspection requirement, how is anyone ensuring the health and safety of the children if there are no inspections? The commentator stated that one cannot "bring a basic level of safety to all children whose care is supported with taxpayer funds if there are no inspections to ensure the home is habitable and there are no violent criminals living in the house."

IRRC further requested clarification on how the Department ensures that relatives who are providing care provide the required background checks, receive basic training in health and safety, and are monitored on a regular basis, with request for an explanation on how the Department implements the goals of quality of care and how the procedures ensure the protection of the public health, safety and welfare.

Response

As a preliminary matter, the Department corrected the titles of the regulatory chapters cited under paragraphs (1) through (3). In response to the public commentator, relative providers are different from licensed CCDF child care providers. Specifically, relative providers are exempt from regulatory inspections. However, relative providers are required to enter into and follow the Department's Relative Provider Agreement (Agreement) with the eligibility agency if they want to receive payment of CCDF funds. The Agreement requires that relative providers must

meet State Child Abuse, National Sex Offender Registry Check, and Federal and State Criminal History Requirements prior to approval and every 60 months thereafter, which aligns with requirements for providers at regulated child care facilities and the CCDBG.

Relative providers must obtain Federal criminal clearances at their own expense, which is approximately \$23.00, and that costs of the other required clearances are addressed in the Agreement. Further, the costs relating to criminal history clearances are not new and are outside this final-form rulemaking. Pursuant to the Agreement, the relative provider must give the eligibility agency written notice no later than 72 hours after their or anyone in the household's arrest, conviction, or notification of being listed as a perpetrator of child abuse in the Central Register. Furthermore, the Agreement also requires compliance with health and safety practices relating to handwashing, diapering, toileting, and the preparation and handling of food.

Additionally, all relative providers must complete 3 hours of approved mandated reporter training prior to approval, and that such training must be completed every 5 years thereafter. The relative provider must submit the certificate of completion along with the results of the federal criminal history clearance to the eligibility agency at the personal interview.

The Agreement also requires that the relative provider's home have a working smoke detector on each level in which child care is provided, and that conditions in the home not pose a threat to the health and safety of children in care. Such requirement is consistent with the requirements of section 1016 of the act of June 13, 1967 (P.L. 31, No. 21) known as the Human Services Code (62 P.S. § 1016). The Agreement further requires that cleaning and toxic materials shall be stored in their original labeled containers or in a container that specifies the contents; kept in a locked area or in an area where children cannot reach them; and kept separate from food, the areas where food is prepared or stored, and the areas where child care takes place. Also, any weapon or firearm must be kept in a locked cabinet; any ammunition must be kept in a separate, locked area; and the relative provider must tell the child's parent or caretaker that weapons, firearms, or ammunition are in the provider's home.

The Agreement also requires that the relative provider not use any form of punishment, including spanking; and that the parent or caretaker be allowed to see their child at any time the provider is providing care. These requirements in the Agreement satisfy CCDF requirements, and are consistent with several of the prescribed requirements for child care providers at regulated facilities. These requirements also ensure that children receiving subsidized child care services from a relative provider receive at least the same quality of care as children enrolled at regulated child care facilities.

The use of an Agreement for relative providers has been in practice for over 15 years, for the purpose of the protection of the public health, safety, and welfare of children receiving subsidized child care services, both initially and on an ongoing basis, to require substantially the same standards for quality of care as are provided for at regulated child care facilities.

In addition, following feedback from IRRC about the requirements in section 3042.14 (relating to payment of provider charges), the Department made changes to section 3042.14(g), as well as section 3042.12, to clarify that the Department will suspend the subsidies and suspend payment

for children who are receiving subsidized child care at facilities whose certificate of compliance has been revoked or refused to renew by the Department's Bureau of Certification Services, which is responsible for enforcing the Department's health and safety requirements. Specifically, section 3042.12 was restated as three subsections to more clearly articulate the requirements. Further, a subsection was added, subsection (b), to make clear that the Department will suspend subsidized child care enrollments if the provider a parent or caretaker is using has its certificate of compliance revoked or refused to renew. Regarding section 3042.14, the Department made changes and removed the word "new" from subsection (g) to better ensure that the Department is not permitting or paying for enrollments at a provider for whom the Department has issued a revocation or refusal to renew. The changes to sections 3042.12 and 3042.14 better ensure the protection of the health and safety of children receiving subsidized child care services by further ensuring that scarce public dollars are not being paid to facilities that are not meeting the baseline health and safety requirements of the Department. Importantly, the Department notes that the change in this section (3042.12) will suspend the subsidy and will not terminate the subsidy, and so there is no impact to a family's eligibility, which will continue for the balance of the 12-month period. The changes strike the appropriate balance between ensuring parent choice and ensuring that scarce public dollars are not being paid to facilities that do not satisfy baseline health and safety requirements.

Because the subsidies will be suspended, providers who are not meeting baseline health and safety standards will no longer be paid subsidy dollars, and all enrollments for subsidized child care at that provider will be removed. Meanwhile, parent choice is ensured because parents are free to choose child care services at another provider who is meeting baseline health and safety requirements. The Department will assist these families with locating another provider to ensure continuity of care. The Department already assists families with locating another provider in cases where the Department's Bureau of Certification Services issues an emergency revocation to a facility because circumstances at the facility justify immediate closure and removal of the children from care.

As for the numbers of families these changes will impact, the Department conducted a review of the instances of revocations and refusals to renew for SFY 2021-2022, and after review, the Department noted there were approximately 31 revocations or refusals to renew that impacted on 447 enrollments. Notably, not all certified child care providers participate in the CCW program.

For SFY 2021-2022, the numbers of facilities issued revocations or refusals to renew were 20 child care centers, 3 group child care homes, and 8 family child care homes. The Department notes the bulk of the enrollments, 428, were located in child care centers, and the noted facilities were located in various regions throughout the Commonwealth. The Department also notes that it upholds health and safety protections for children in care throughout this Commonwealth irrespective of the provider type, the provider regional location, and whether a provider participates in the CCW program.

The fiscal impacts to providers and the impacts on parent choice for families are outweighed by ensuring that public funds are directed to providers meeting basic health and safety requirements to ensure the protection of the health and safety of this Commonwealth's most vulnerable and

disadvantaged children, as consistent with the CCDF. The Department reiterates that it will assist impacted families with locating another provider to ensure continuity of care and parent choice. Further, only providers whose certificate of compliance has been revoked or refused to renew by the Department's Bureau of Certification Services will be impacted because the Department will no longer pay for CCW program enrollments at these providers. The Department notes these providers can still provide services to private-pay families should the provider choose to appeal the Department's revocation or nonrenewal determination.

The Department reiterates the statements from the preamble of the federal regulation, that "we cannot in good conscience continue to use any federal taxpayer dollars to support sub-standard child care for our nation's most vulnerable and disadvantaged children." The change is also consistent with the methods of administration of funds by the Department under the American Rescue Plan Act, because subsidy funds are public dollars that should not be paid to providers who are not meeting baseline health and safety requirements. The Department notes that an eligible provider refers to a provider that is certified and that "meets applicable State and local health and safety requirements." See definition of "eligible child care provider," § 2201 of the American Rescue Plan Act of 2021, 15 U.S.C.A. § 9001. Further regarding any lost enrollments, the Department is clarifying that the cost is speculative and varies depending on the provider type as well as the numbers of enrolled children who are receiving subsidized child care services. In addition, any fiscal impact due to lost enrollments are the result of the facility's failure to comply with the Department's licensure regulations and not this final-form regulation.

§ 3042.13 – Subsidy benefits

Six commentators responded in agreement with the Department's efforts to remove barriers for parents or caretakers who work non-traditional hours, noting the change will allow more families to become eligible and receive care when they need it.

Response

The Department thanks these commentators for their support.

§ 3042.14(d) – Payment of provider charges

Three commentators commented on this section. One commentator requested that this proposed requirement be removed, while another commentator expressed reservations over providers being able to charge the difference between the published rate and the payment, in addition to the co-payment, saying they "encourage OCDEL to carefully consider the impact of health and safety guidelines on the childcare community." The third commentator requested clarification about whether child care programs can still charge the difference between what the eligibility agency pays and what the child care program actually charges.

The commentator who expressed reservations over this provision stated, "we understand the need to support childcare centers in ensuring financial stability and sustainability. While it has

historically not been standard practice, at least in Philadelphia, charging families the difference between subsidy rates and current hourly enrollment dates could potentially become a challenge for families in the future.” This commentator noted that the COVID-19 pandemic could cause child care centers to increase their rates to bring in more revenue to support the added cost of purchasing supplies and to compensate for fluctuating enrollments. This commentator continued, “if rates do increase and the proposed policy change requires families to make up the difference, some may then struggle to afford childcare. We encourage OCDEL to carefully consider the impact of health and safety guidelines on the childcare community.”

The commentator who expressed disapproval, requested that the subsection should be removed because it purports to operate as a super co-payment, thereby causing costs to rise to the point of being unaffordable, which undermines parent choice. After follow-up discussions, the commentator suggested that balance billing is a factor in the quality-of-care gap between black children and white children. The commentator also stated that research indicates that average earnings of black individuals is substantially lower than those of white individuals. The commentator suggested that black families are therefore less able to afford higher quality care, which is made more costly by the balance billing practice. The commentator stated that these families may therefore be forced to use lower cost, lower quality care. Finally, this commentator concluded that revisiting the balance billing policy is a necessary step in racial equity effort.

Response

After careful consideration, the Department removed subsection (d) (regarding additional billing) in the final-form rulemaking and reordered the rest of the subsections accordingly.

The Department concurred with the feedback received and removed subsection (d) at final-form. Although the removal of subsection (d) may result in a fiscal impact to providers of subsidized child care who charge the difference between the CCW payment rate and the rate charged to private pay families in the form of lost potential additional revenues, the impact is offset because the lost potential additional revenue to the regulated community is converted into savings for families who are receiving subsidized child care services and being charged the difference. The lowered annual maximum copayment rate results in the Department assuming a higher portion of the total cost; therefore, the provider receives more of the CCW reimbursement from the Department. This reduces the provider’s risk of having to deal with a potentially higher level of delinquent copayment from families. The Department determined that permitting subsection (d) to remain runs contrary to the intent of CCDF assistance because it permits additional charges to low-income families, thereby undermining the goal of supporting low-income parents to achieve economic stability. Subsection (d) was therefore removed at final-form. The Department acknowledges that removal of § 3042.14(d) (relating to payment of provider charges) may result in lost potential additional revenues to the child care providers who charge the difference between the CCW payment rate, and the rate charged to private pay family, which is estimated in the aggregate to be \$16.5 million. This estimate assumes that over one-third of all regulated providers that have a private pay rate greater than the CCW payment rate do in fact charge subsidy families the difference, either in full or in part. The Department noted that the estimate is based on data from 2019, and so before the COVID-19 pandemic, because the data is more

reliable and more complete, and because enrollment continues to lag behind pre-pandemic levels by approximately 20%. The regulation may benefit as many as 83,000 children, but if enrollments return, may benefit as many as 105,000 children from as many as 61,000 families. The combination of previously low CCW payment rates, previously high co-payment rates exceeding the CCDF benchmark rate of 7% (to in some cases to levels beyond 20%), and the previous allowance for a provider to charge a parent or caretaker the difference between the CCW payment rate and the provider's published payment rate, all necessitated the removal of § 3042.14(d) because the end result of the combination renders the continued allowance of the requirement fundamentally contrary to CCDF requirements relating to affordability and equal access. The change is also in response to comments received, and noted that permitting the provision to remain is substantially outweighed by the direct costs to the Department, this Commonwealth, and to families across the Commonwealth if the provision is not removed because the Department could incur a fiscal penalty from the federal Administration for Children and Families (ACF), Office of Child Care.

Further, providers who wish to provide higher quality child care through the Keystone STARS program may be eligible for assistance with costs.

§ 3042.14(g) – Payment of provider charges

Five commentators agreed with prohibiting new subsidy enrollments at facilities that have been issued revocation or denial of renewal orders by the Department. Four of the commentators suggested that the Department exercise its authority and temporarily prohibit subsidy enrollments at the Department's discretion in consideration of current complaint investigations involving the serious physical injury of a child, the sexual assault of a child, the death of a child, and any other egregious acts that put the safety of children into question. Specifically, the commentators stated that "we would support the Department having the authority to temporarily prohibit subsidy enrollments at their discretion in consideration of current complaint investigations involving the serious physical injury of a child, sexual assault of a child, death of a child, etc."

IRRC noted that "this section does not allow new enrollments 'when the Department determines the provider is not meeting health and safety requirements, and revokes or refuses to renew the provider's certificate of compliance.' The Department goes on to say that to 'provide continued stability and support already established staff and child relationships, the Department will continue to pay for children who are currently enrolled at the time of the sanction.' We ask the Department to explain in the Preamble to the final-form regulation the reasonableness of this subsection and how it protects the public health, safety and welfare of children currently receiving care at these facilities. We will review the Department's answer when determining if this regulation is in the public interest." IRRC also requested that the Department respond to the commentators asking for the Department to prohibit enrollments at facilities that are being investigated over complaints that put "children in harm's way."

Response

The Department thanks the commentators for their comments. After careful consideration and in response to feedback from IRRC and the public commentators, the Department made changes to sections 3042.12 and 3042.14(g). Specifically, section 3042.14(g) is amended in this final-form rulemaking to remove the word “new” from the requirement to clarify that the Department will not permit subsidy enrollments at a provider whose certificate of compliance has been either been revoked or been denied a renewal. This change was made in response to comments asserting the need to protect and maintain health and safety requirements and to ensure continued compliance with the requirements of the CCDF, most especially the provisions concerning affordability and equal access. See 45 CFR 98.45 (relating to equal access).

The Department reiterates the change made in section 3042.12 in response to this feedback as well. The change clarifies that the Department will suspend the subsidy when a parent is using a provider whose certificate of compliance has been revoked or denied renewal. The Department reiterates that these changes are consistent with the CCDF and the existing provisions under Chapter 3041. The Department also reiterates the statement from the preamble, “we cannot in good conscience continue to use any federal taxpayer dollars to support sub-standard child care for our nation’s most vulnerable and disadvantaged children.” The added subsection under section 3042.12 makes clear the Department may suspend a subsidy benefit when a parent or caretaker uses a provider for whom the Department has revoked or refused to renew the certificate of compliance, and the removal of the word “new” from the requirement in section 3042.14(g) ensures that taxpayer dollars will not be paid to providers who are not meeting baseline health and safety requirements. As explained in the response under section 3042.12, the eligibility agencies will assist families impacted by a suspension to ensure the continuity of care of their children at providers who are meeting the Department’s baseline health and safety requirements. The Department reiterates that its eligibility agencies already assist families with finding an alternate provider in cases where an emergency revocation has been issued to facilities that are violating health and safety standards leading to circumstances that endanger the health and safety of children in care.

Finally, the Department immediately initiates complaint investigations involving any and all allegations impacting on health and safety. Further, an emergency revocation sanction would be issued upon investigation, as legally warranted by the facts and circumstances. However, an investigation is not by itself a determination of wrongdoing or noncompliance. Due to the potential due process concerns, the Department declines to implement the prohibition suggested by some commentators because of potential due process concerns during the investigatory phase. The Department reiterates, however, that it would issue an emergency revocation sanction when legally supportable and needed to support the health and safety of all children in care.

§ 3042.15(b) – Subsidy limitations

Six commentators responded with agreement for allowing a kindergarten-age child one additional year of kindergarten at the parent’s or caretaker’s request.

Response

The Department thanks the commentators for their support.

§ 3042.15(c) – Subsidy limitations

One commentator disagreed with the prohibition of child care directors and their children enrolling in care at the same facility.

IRRC requested clarification about how the Department determines there is space available for a child of an operator under capacity standards in Chapters 3270, 3280 and 3290 (relating to child care centers; group child care homes; and family child care homes); and on how the Department will implement this section, how a facility will be economically impacted, and the reasonableness of this requirement.

Response

The Department thanks IRRC and the commentator for their feedback. The Department made several changes to restate and clarify this requirement. First, the Department removed the term “owner or operator of a child care facility” from section 3042.3 (relating to definitions) to avoid confusion and to better clarify the requirement.

Consistent with the definition of “child care”, the Department amended this subsection to ensure that a child who is receiving care in a child care facility that is owned by the child’s parent or caretaker is not eligible for subsidized child care services. The changes also removed references to the availability of space because the concern is only whether a parent or caretaker is being paid to care for their own child, which runs contrary to the definition of “child care.” As defined under the final-form rulemaking under section 3042.3 (relating to definitions), “child care” is “care instead of parental care for part of a 24-hour day.” To avoid confusion and better clarify this requirement, the Department has removed the term “owner or operator of a child care facility” from section 3042.3 because the term was not used this rulemaking. The changes ensure that child care staff, including a director at a child care center, are eligible for subsidized child care services at their work places.

In response to the inquiry regarding economic impact and implementation of this revised provision, the final-form subsection is narrowly tailored such that it pertains only to situations where a parent or caretaker is the owner of a certified child care facility. To the extent there is such an impact, the Department determines that the cost is outweighed by the fact that subsidy dollars are scarce, public funds, and so this final-form subsection prohibits only situations in which the owners of certified child care facilities are paid subsidy dollars to care for their own children, which is reasonable because such situations run contrary to the definition of “child care” in section 3042.3, which is, “care instead of parental care for part of a 24-hour day.” Operators may still receive subsidy funding for children in care who are not their own children. Further, the final-form language expands eligibility because the subsidy limitation only relates to a child receiving care in a facility owned by an eligible child’s parent or caretaker. If otherwise eligible, subsidized child care may be received at a different facility.

Further, the final-form regulation is narrowly tailored such that it pertains only to situations where a parent or caretaker is the owner of a certified child care facility. Regarding IRRC's inquiry on how a facility will be economically impacted, the Department determined that the cost is outweighed by the fact that subsidy dollars are scarce, public funds. The Department reiterates that subsidy dollars are taxpayer dollars, and further clarifies that this final-form rulemaking prohibits only situations in which the owners of certified child care facilities are paid subsidy dollars to care for their own children,

§ 3042.15(d) – Subsidy limitations; § 3042.57 – Waiting list; and § 3042.132 – Eligibility determination for Head Start

The regulatory requirements in these specific sections are similar to one another as were the comments received. As such, the Department is grouping these comments together. The similar requirements relate to enrollment requirements following the date the eligibility agency notifies the parent or caretaker that funding is available to enroll the child.

The primary differences between these requirements relate to timing. For section 3042.15(d), the requirements relate to a parent or caretaker who receives subsidized child care services following their application and notification that funding is available. For section 3042.57(c), the requirements relate to a parent or caretaker who has already been determined eligible; and has since been on the wait list and is awaiting notification that funding is available. The rationale for the requirements, however, is the same – for the child to enroll with an eligible child care provider within 30 calendar days of funding becoming available, unless the enrollment is verified by the eligibility agency as being delayed because of circumstances outside of a parent's or caretaker's control. Finally, one of the commentators asked about the prioritized waiting list with reference to sections 3042.57 (relating to waiting list) and 3042.132.

Seven commentators agreed with permitting families to postpone enrollment for more than 30 calendar days if the child does not immediately need care at the time funding becomes available. Six of the seven commentators suggested adding language that clearly states what exceptions will be considered for families wishing to delay enrollment beyond 30 days, noting the process to receive Department approval should be clear. Some commentators noted incongruity between the proposed section 3042.15(d) and section 3042.57(c). These commentators expressed concerns about whether a child can maintain eligibility if not enrolled within 30 calendar days because they are in a child care desert, or if a high-quality provider is not available or does not have a slot at the time. They noted that such a result would be contrary to parent choice. Two other commentators had requests for clarification, and they also suggested changes.

One commentator suggested that families should have the ability to add siblings to the wait list and be grouped together. The other commentator requested clarification about whether children born to families already receiving subsidy, as well as children enrolled in Head Start and Early Head Start, will be placed on a prioritized waiting list.

After follow-up discussions with the Department, the commentator further urged that a subsection be added to the effect that: (1) Acknowledge there is a priority waiting list; (2) Identify the groups; (3) Reference the website where the priority list will be maintained; and (4) Provide for some form of notice and public comment, which may be less formal than the regulatory review process to permit flexibility, via the website should the Department propose to change the list.

IRRC made several observations and had questions about section 3042.57(c), and they noted their feedback applied as well to the proposed section 3042.15(e). Specifically, IRRC asked two questions about the proposed subsection – “First, is 30 days a reasonable timeframe for a spot to be available at an eligible provider?” And second, “why is an exception based upon a circumstance outside of a parent or caretaker’s control a discretionary action? IRRC reiterated that commentators stated this subsection does not consider parent choice as provided for in section 3042.12 (relating to parent choice).

IRRC asked for the Department to explain why the 30-day requirement is reasonable; how parental choice is accommodated; and implementation procedures for granting exceptions. Finally, IRRC requested the Department make changes to ensure that a child maintains eligibility when circumstances beyond a parent or caretaker’s control prevent enrollment in child care.

Response

The Department thanks the commentators and IRRC for their feedback. After a careful review, the Department made changes to both sections 3042.15(d) and 3042.57(c) for consistency and clarity to ensure that parent choice is accommodated. Under the final-form regulation, parent choice is accommodated in all cases, consistent with section 3042.12 of this final-form rulemaking and 45 CFR § 98.30 (relating to parent choice, and parental choice). The Department also removed the proposed language from section 3042.15(d) because the provision was obsolete since all regulated child care providers are required to be certified.

At the outset, the Department changed the proposed sections 3042.15(d) and 3042.57(c) to articulate the same requirements for consistency and to clarify that children must enroll with an eligible child care provider within 30 calendar days of funding becoming available, unless the eligibility agency determines that enrollment has been delayed because of circumstances outside of a parent’s or caretaker’s control. If a parent or caretaker fails to provide a circumstance outside of the parent’s or caretaker’s control, the child is ineligible. And further, if explanation is provided, the child will be temporarily eligible and, if applicable, may be added to the waiting list or may remain on the waiting list as specified under § 3042.57 (relating to waiting list). The language “temporarily eligible” is being used because under this final-form rulemaking, once eligibility has been determined, the eligibility can only be terminated prior to redetermination in the circumstances specified under 3042.22 (relating to subsidy termination). The Department reiterates that due to other families also needing care, the Department is unable to hold spots open in perpetuity if care is not needed or the parent or caretaker is not sure when it might be needed. The Department notes the 30-day requirement strikes a balance between offering parental choice and efficiently administering the program. Simply put, families are on the wait

list who also need subsidized child care, and spots cannot be held open in perpetuity if care is not needed or the parent or caretaker is not sure when it might be needed. The Department reiterates that families are eligible for subsidized child care because they are working or enrolled in education or training and need child care.

Regarding the two commentators who requested clarification as well as changes, the Department amended the final-form regulation to clarify that the Department will post its methods for priority on its website. An order of priority may include: foster children; children who are enrolled in PA Pre-K Counts, Head Start, or Early Head Start who need wrap-around child care at the beginning or end of the program day; newborn siblings of children who are already enrolled; children experiencing homelessness; and teen parents. Otherwise, children are placed on the waiting list on a first-come, first-serve basis with respect to the date for requesting care for a child. The Department clarified this prioritized waiting list in changes made to section 3042.57(a). Notably, this prioritized waiting list has been stated on all State Plans going back to at least 2019. The Department noted that its approach is consistent with the requirements of the CCDBG because the CCDBG requires that lead agencies give priority for services as stated in the final-form requirement. *See* 45 CFR § 98.46 (priority for child care services). Regarding IRRC's requested clarifications and changes, 30 days is generally a reasonable timeframe in most cases to enroll a child with a child care provider because a parent or caretaker is working or is enrolled in training or education and is in need of child care. In many instances, a family already has a provider that they are using, and they only need assistance paying for the case. In other situations, the family knows what provider they want to enroll the child with, but again, has not been able to do so because of financial circumstances. As discussed above, the Department clarified sections 3042.15(d) and 3042.57(c) so that children must enroll with an eligible child care provider within 30 calendar days of funding becoming available, unless the eligibility agency determines that enrollment has been delayed because of circumstances outside of a parent's or caretaker's control. If a family, however, needs assistance with finding a provider, the eligibility agency will assist the family with resource and referral. Further, the amendments accommodate parent choice by ensuring that parents have the time to select a provider of their choosing provided the delay is not excessive. Regarding implementation, if a parent or caretaker does not provide the eligibility agency with explanation that is outside of the parent's or caretaker's control for why enrollment is not possible, the child is ineligible. And further, if explanation is provided, the child will be eligible. These requirements were clarified under the final-form section 3042.15(d). The 30-day requirement strikes a balance between offering parental choice and efficiently administering the program. Simply put, families are on the wait list who also need subsidized child care, and spots cannot be held open in perpetuity if care is not needed or the parent or caretaker is not sure when it might be needed. Consistent with the feedback from IRRC, congruent changes with this amendment were made to section 3042.57(c), and so the two provisions, sections 3042.15(d) and 3042.57(c) are the same.

The Department reiterates that the final-form regulations accommodate parent choice and are consistent with section 3042.12 (relating to parent choice) as well as all CCDBG requirements.

§ 3042.18 – Absence

Nine commentators submitted comments regarding this section. Five commentators agreed with the Department's efforts to delink payment for child care from a child's occasional absences. These commentators approved of the changes to remove barriers for parents and caretakers and allow the eligibility agency to suspend enrollment if absent for more than 5 consecutive days. These commentators also noted approval with the increased number of total paid absences to 40 days, thereby allowing for parents and caretakers to maintain eligibility and for increased stability for the child and family.

Two other commentators agreed with the increase in permitted absences from 25 to 40 days but disagreed with the way that subsidy suspensions occurred. Specifically, one of these commentators disagreed with enrollment and payment being suspended on the sixth day of absence. This commentator said they would be expected to hold the spot open but not be paid, and that if a parent or caretaker withdrew their child in the hopes of returning later and the spot was gone, the facility is left looking like the bad guy and gets slandered on social media. The other commentator disagreed to the extent that notices of adverse action are required to satisfy due process concerns. After follow-up discussions, this commentator suggested using confirmation notices when the parent requests suspension and an adverse action notice when suspension is initiated unilaterally by the eligibility agencies.

Another commentator disagreed that a child care facility is not paid any tuition money if the child care is suspended. This commentator continued with their questions and asked if a provider could charge the full tuition before the 41st day of suspension? And, "how does the daycare financially afford to pay" their teachers, their utilities, and the like "if tuition cannot be depended on to remain constant?" Also, "do we have to hold the child's spot if their funding is suspended?" And if not, "how is this beneficial to the child's stability?"

Finally, a commentator disagreed with the increase in permitted absences from 25 to 40 days as unreasonable. This commentator observed that private pay families in many cases are afforded little to no compensation for absences or vacation time. The commentator also commented that the increased absences encourage families to not send their child to care, which interrupts their care routine and their establishment of positive relationships. The commentator said the benefit of the subsidized child care program is to provide high quality care to children and families who otherwise cannot afford it, and stated the increase is counter to that entire concept, noting finally that children cannot reap the benefits of high-quality programming if they do not attend.

Response

First, the Department thanks the commentators for their support and comments. The Department acknowledges and declines the suggestion that confirmation notices be sent when the parent requests suspension and that an adverse action notice be sent when the suspension is initiated by the eligibility agencies. The Department notes that due process is not offended or implicated because the Department is not disturbing eligibility or benefits. To the contrary, the Department is preserving the subsidy for periods when the child is in care and the subsidy is used. The

Department also notes that its eligibility agencies send a confirmation notice along with a notice of appeal rights for all cases of subsidy suspension, irrespective of the reason for suspension.

Further, the Department clarifies that only payments for subsidized child care services are suspended during periods of suspension. Whether a provider continues to hold open a spot that remains in suspension is a private business decision between the provider and the parent or caretaker. Specifically, there is no regulatory requirement that compels a child care provider to hold open a child's spot in perpetuity or for any duration.

As for remaining concerns over absences, eligibility may be terminated upon the accrual of excessive, unexplained absences. The Department acknowledges the difficulty that child care providers face with respect to overhead, whether that relates to teacher retention and compensation, utilities, or other incidental expenditures. The Department will conduct outreach with the child care community to help providers establish improved business practices that to improve continuity of care. Providers who wish to provide higher quality child care through the Commonwealth's quality rating and improvement system, Keystone STARS, may be eligible for assistance with related costs as well. Further, the lengthier 12-month eligibility periods prescribed by this final-form rulemaking may help providers stabilize enrollments and revenues.

As to the increased number of absences, the increase in the number of days of permitted absences is reasonable because the higher number permitted is in the context of the longer 12-month eligibility periods established under this final-form rulemaking and required by the CCDBG. Further, this increase is consistent with the CCDBG preference for delinking payment from a child's occasional absences. *See* 45 CFR § 98.15 (relating to assurances and certifications). In addition, the increase in permitted paid absences to 40 days represents 15 percent of the average child's expected absences from care and conforms to what the federal government believes is more reasonable for a child attending child care, which is 85 percent of the authorized days. *See* 45 CFR § 98.45(1)(2)(ii).

This increase also allows the Department to address concerns from families receiving subsidy around absences for children with verified, significant illnesses, injuries, and impairments. This number of paid absences also supports integration by aligning with the payment rules for PA Pre-K Counts. Lastly, this number of paid absences is modest in relation to those afforded by other states in Region III; which range from as low as 46 per year in Virginia up to eight absences per month in the District of Columbia.

§ 3042.19 – Subsidy continuation

Two commentators disagreed with this proposed section. One commentator asserted that situations where parents are without work for three months and continue to bring their child to daycare are unacceptable. This commentator inquired as follows: First, for situations involving a parent or caretaker who experiences a disability, does the child still attend daycare? Or is this a suspended care situation? Is the daycare still receiving the tuition for this child? This commentator also asked for how long the phase-out period lasts.

Regarding relatives who care for children without a court order, the commentator asked, how do you know the adult has custody of the child legitimately and was not kidnapped? And next, if parents regain custody, will the funding transfer to the parent monies or will the parent have to open their own file, thereby resulting in a loss of care and delaying continuation of care? Finally, the commentator asked, how can a provider be certified but not meeting basic health and safety requirements?

The other commentator disagreed to the extent that two important circumstances from 45 CFR § 98.21(a)(1)(i) and (ii)(G) were alleged to have been omitted from the proposed rulemaking; and that similarly, others from 45 CFR § 98.21(a)(5) were also omitted. The commentator suggested additions to sections 3042.19(c) and suggested an added subsection (d). After follow-up discussions, the commentator stated that even if the provisions are stated elsewhere, that this subsection is confusing and misleading because it does not state all of the circumstances for which subsidy must continue. As it concerns the limited circumstances where early termination of subsidized child care eligibility is permitted, the commentator suggested they should be placed in a new suggested subsection (d).

Response

The Department thanks the commentators for their feedback and made several changes in response to their comments. After review of all feedback, the Department determined that a new section relating to termination was warranted to clarify the limited circumstances for which the subsidy might be terminated prior to the next re-determination. The newly-added final-form section regarding termination is at section 3042.22 (relating to subsidy termination).

The CCDBG promotes continuity of care based on research showing children have better educational and developmental outcomes when they have continuity in their child care arrangements. As provided previously, per CCDBG requirements, eligibility periods are now a minimum of 12 months. Further, instances involving early termination of subsidy because of failure to meet the work requirements are exceedingly rare. As such, the Department declines to make changes to reduce eligibility because the fiscal savings are *de minimis* and are substantially outweighed by the administrative costs of implementation as well as the adverse impacts on families and children.

The Department notes that distressed families often cycle in and out of poverty, which places additional stress on the children in these families. The final-form rulemaking ensures that families receiving subsidized child care services are provided uninterrupted services that support parental education, training, employment, and continuity of care that minimizes disruptions to children's learning and development. *See* 45 CFR § 98.1 (relating to purposes).

As for one of the commentator's queries, the Department clarifies that consistent with CCDBG requirements, if care is needed and eligibility has already been determined, a child in a situation in which a parent experiences a disability will continue to receive services as needed for the remainder of the eligibility period.

Regarding the graduated phase-out period, the Department clarifies that eligibility will not be disrupted during the eligibility period unless the family income exceeds 85% of the State Median Income (SMI). *See* section 3042.97(f) (relating to Use of the Federal Poverty Income Guidelines and State Median Income).

Furthermore, at redetermination, under this final-form rulemaking, eligibility would continue so long as income does not exceed 235% of the Federal Poverty Income Guidelines (FPIGs) or 85% of the SMI, whichever is lower. *See* section 3042.31(c). As for any possible changes to custodial arrangements, pursuant to subsection (b) of this final-form regulation, because the eligibility period is continuous for the child for 12 months, care will not be interrupted unless the substitute caretaker's income is above 85% of the SMI. Finally, a court order is not required in order for a relative to care for children, and also, certified child care providers are required to satisfy all prescribed health and safety requirements at all times. *See* 55 Pa. Code Chapters 3270, 3280 and 3290 (relating to child care centers; group child care homes; and family child care homes)

Next, based on the comments received, the Department made changes to better state and clarify the requirements of this section. Specifically, the Department reworded subsection (c) to remove the listing of circumstances to avoid confusion and to clarify that the subsidy will continue during the eligibility period except for when income rises above 85% of the SMI.

Because the subsidy will continue as the commentator stated, the Department determined that adding requirements relating to circumstances where the subsidy would already continue is both redundant and misleading. The Department, therefore, reworded subsection (c) to clarify that subsidy will continue at the same level in nearly all cases unless family income exceeds 85% of the SMI, or the subsidy is suspended, or changes are reported that might increase the family's benefit.

The Department also removed paragraphs (c)(1)-(4) because, as already stated, such listing misstates and confuses the requirement. The Department replaced those provisions with paragraphs (c)(1)-(3). Specifically, the Department revised subsection (c)(1) to clarify that family income in excess of 85% of the SMI will cut short eligibility, which complies with 45 CFR § 98.21(a)(1)(i). Similarly, the Department revised subsection (c)(2) to clarify that the subsidy may be terminated as well during the eligibility period as specified in the newly-added provision in section 3042.22 (relating to subsidy terminations). Also, the Department revised subsection (c)(3) for consistency, because the subsidy could be increased, and the co-payment decreased as per section 3042.86 (relating to change reporting and processing) and as required by 45 CFR § 98.21(e)(4)(i).

Next, following feedback from the commentator, and after review of the feedback received for section 3042.20(c) (relating to subsidy suspension), the Department noted the provisions each concern termination prior to the next re-determination. As such, the Department declined to add a new subsection (d). Instead, the Department determined that a new section be added on final-form rulemaking to clearly articulate the limited circumstances for which the subsidy might be

terminated prior to the next re-determination. The newly-added section regarding termination is at section 3042.22 (relating to subsidy termination).

§ 3042.20 – Subsidy suspension

Three commentators submitted comments to this section. One commentator agreed with permitting suspension but suggested adding “for any reason” to subsection (b) to make sure the requirement is clear, even though the commentator stated in their comment that it is implicit. Another commentator disagreed with the requirement that enrollment and payment are suspended on the sixth day of absence. This commentator said they would be expected to hold the spot open for the family, and that if not, the facility looks like the bad guy and is slandered on social media.

The third commentator disagreed that a child care facility is not paid any tuition money if care is suspended. This commentator also asked for the following several more points of clarification: First, upon suspension, can the daycare charge the difference plus the weekly tuition when the eligibility agency stops paying? The commentator stated that daycares cannot be expected to hold a spot for a child for 40 days without receiving payment. Next, the commentator asked, what about other families on the waiting list that would start their child immediately? Would the money go to waiting families while the other family has postponed their need for monies?

IRRC requested clarification on how the Department will implement subsection (c) and requested for the Department to modify this subsection to state the number of days it considers to be excessive, so as to establish a standard that is predictable and enforceable, which IRRC explains is in line with the CCDBG provision at 45 CFR § 98.21(a)(5)(i)(A).

Response

The Department appreciates the review and feedback of the commentators and IRRC. First, the Department declines to add “for any reason” to subsection (b) because the requirement is already clear. Next, the Department clarifies that payment is an issue between the parent or caretaker and the provider and should not affect a family’s eligibility for subsidy. Furthermore, as previously provided, whether a provider continues to hold open a spot that remains in suspension is a private business decision between the provider and the parent or caretaker. As provided above, there is no regulatory requirement that compels providers to keep open in perpetuity a spot for a child who is persistently absent from care. The Department reiterates that eligibility periods for child care subsidy are for 12 months, and that periods of suspension of subsidy do not by themselves operate to reduce eligibility.

Upon suspension, subsidy funds are not diverted away from the family, but instead, the funds are preserved until such time as the child returns to care and the suspension ends. Specifically, upon suspension, payment to the provider is suspended until the child has returned to care. Further, as provided above, the Department will conduct outreach with the child care community to assist with business practices that better ensure continuity of care.

Finally, the Department removed subsection (c) because the provision concerns termination. After review of all feedback for section 3042.19 (relating to subsidy continuation) and this section, the Department determined that a new section 3042.22 (relating to subsidy termination) is warranted for clarity. The newly-added section defines the number of unexplained absences that shall be considered excessive as 60 consecutive days of non-attendance in care. This new section further clarifies that termination is authorized prior to the next re-determination in limited circumstances where there have been excessive, unexplained absences; a change in residency outside the Commonwealth; substantiated fraud or intentional program violations that invalidate prior determinations of eligibility; or a voluntary request by the parent or caretaker for discontinuance of the subsidy.

§ 3042.21 – Subsidy disruption

IRRC requested the Department change the word “subsection” in paragraph (2) to “section.”

Response

The Department thanks IRRC and changed “subsection” to “section”.

§ 3042.22 – Subsidy termination

As provided previously, this newly-added section, consisting of two subsections, regarding subsidy termination is added in response to feedback received during the public comment period and to clarify the circumstances that may result in termination of the subsidy prior to the end of the 12-month eligibility period. Subsection (a) clarifies in four paragraphs the circumstances that may cause the eligibility agency to terminate subsidy prior to re-determination. Regarding the circumstances, paragraph (1) clarifies the number of unexplained absences that are excessive in response to IRRC’s comment to clarify the number of days. Specifically, the paragraph clarifies the number of days as 60 consecutive days of unexplained non-attendance in care, provided the eligibility agency has attempted at least three times to contact the parent or caretaker regarding the child's absences. The Department also clarified in paragraph (2) that one of the circumstances is if a child no longer resides in the Commonwealth, and the Department clarified in paragraph (3) that one of the circumstances is if the parent or caretaker committed substantiated fraud or intentional program violations that invalidate prior determinations of eligibility. Subsection (4) clarifies that the subsidy will be terminated if the parent or caretaker voluntarily requests discontinuance of the subsidy.

Subsection (b) clarifies that if the eligibility agency moves to terminate the subsidy as described in subsection (a), then notification to the family must be provided as required under § 3042.155 (relating to adverse action).

Regarding implementation, to determine whether the absences are excessive, the Department explained that upon notification from the provider that a child has been absent more than 5 consecutive days, the eligibility agency will send to the parent or caretaker a notice confirming the suspension of the subsidy following the non-attendance in care. Importantly, the Department notes that upon suspension, subsidy funds are not diverted away from the family, but instead, the funds are preserved until such time as the child returns to care and the suspension ends. Upon suspension, payment to the provider is suspended until the child has returned to care. If the suspension continues for a period of 60 consecutive days of unexplained, nonattendance in care, the Department will proceed to terminate subsidy after ensuring the required outreach. The final-form rulemaking ensures that families receiving subsidized child care services are provided uninterrupted services that support parental education, training, employment, and continuity of care that minimizes disruptions to children's learning and development. *See* 45 CFR § 98.1 (relating to purposes).

§ 3042.31 – Subsidy disruption; and § 3042.97 – Use of the Federal Poverty Income Guidelines and State Median Income

Due to the receipt of a combined comment for these sections, the Department is also combining its response. Specifically, IRRC stated that its comment for section 3042.31 also applies to section 3042.97. In addition, each section received comments from one commentator.

One commentator disagreed with the language under section 3042.31(c) because the proposed language of “or” would allow at redetermination the eligibility agencies to continue subsidies to families with income in excess of 235% of the Federal Poverty Income Guidelines (FPIGs). The commentator noted waiting lists are already long, and they suggested adding language to the end of subsection (c), “whichever is less,” to resolve the ambiguity.

As for section 3042.97, after follow-up discussions with this commentator, the commentator suggested that the regulatory requirements mirror and provide authorization for practices already used in notices, and so they requested that, for this section (3042.97), that subsection (e) mirror subsection (d), and state “the eligibility agency shall explain that 85% of SMI and the specific dollar figure are the highest annual income amounts permitted in between redeterminations.”

IRRC requested the Department address the commentator's concern that there is not an “option to continue subsidy for families whose income exceeds 235% of the FPIG at redetermination, except in the highly unlikely scenario that 85% of the State Median Income (SMI) should drop to less than 235% of the FPIG.” IRRC requested clarification for how the Department will implement these income limits and why it is necessary to include both the FPIG and SMI requirements in this subsection.

As stated above, IRRC noted its comment applies to section 3042.97 (relating to use of the Federal Poverty Income Guidelines and State Median Income) as well.

Response

After review, the Department adopted the commentator's suggested revision to add "whichever is less" to clarify the requirement in section 3042.31(c), so that at redetermination, the family's annual income cannot exceed 235% of the FPIG or 85% of the SMI, whichever is less.

As for the Department's established system for assessing eligibility, the Department clarified that income is initially assessed at application, and at such time, it shall not exceed 200% of the FPIG. *See* section 3042.31(a). Next, if a family has already been determined eligible, the Department reiterated that changes in income do not impact on eligibility unless the family's annual income exceeds 85% of the SMI, as explicitly required by the CCDBG and subsection (b) of section 3042.31. *See* 45 CFR § 98.21(a)(1)(i). Third, at redetermination, the Department assesses income to determine continued eligibility provided that the annual income does not exceed 235% of the FPIG or 85% of the SMI, whichever is lower. As stated above, the Department added language to the final-form section 3042.31(c) to clarify this requirement. Similarly, the Department changed language in section 3042.31(e) by removing "and" and replacing it with "or" to improve clarity.

The CCDBG prescribes the income limits in terms of the SMI. Meanwhile, as permitted by the CCDBG, the Department utilized a graduated phase-out approach that satisfies all CCDBG requirements, with the second tier set at an amount lower than 85% of the SMI for a family of the same size, but above the initial eligibility threshold. This approach comports with all federal requirements as stated in 45 CFR § 98.21(b). As for the need to include requirements stated with reference to both the FPIG and the SMI, the Department notes the federal requirements that agencies that establish family income eligibility at a level less than 85 percent of SMI must provide a graduated phase-out by implementing a two-tiered eligibility threshold with the second tier set at 85 percent of SMI or an amount lower than 85 percent SMI but is above the initial threshold for eligibility. *See* 45 CFR § 98.21(b)(1).

As stated by the commentator and referenced by IRRC, 235% of the FPIG is nearly always lower than 85% of the SMI, depending on the family size. Furthermore, the Department has utilized the FPIG as a standard for determining and redetermining eligibility for several years, and to reiterate, using the FPIGs provides a workable framework through which to implement the Department's graduated phase out approach, as consistent with CCDBG requirements. Because public monies are so scarce, the final-form regulations ensure that precious and scarce taxpayer dollars are used to the benefit of this Commonwealth's most economically-challenged families.

Next, with respect to the provisions in section 3042.97, the Department adopted the suggested change with modified wording to ensure that families receiving subsidized child care are informed of the actual dollar amount of 85% of the SMI. The Department changed section 3042.97(e) as requested with modified wording but did not delete the proposed provision. Instead, the Department moved the proposed provision from section 3042.97(e) to the newly-added provision, section 3042.97(f), to clarify that families are ineligible at any time if the annual income exceeds 85% of the SMI.

§ 3042.33 – Work, education and training

Five commentators submitted comments on this section: four commentators generally agreed and suggested changes, and one other commentator requested additional changes. One commentator suggested changing the requirement that a person must have a paystub or employment prior to getting child care and said that it would be helpful to offer a 2- to 4-week period for families to look for employment, and if not, then there would be no eligibility. The commentator noted that the suggested requirement would be helpful to parents in partial programs like addiction recovery or mental health treatment.

The second commentator who agreed suggested the need to highlight the needs of parents currently enrolled in treatment programs, such as for mental health services or drug and alcohol treatment. The third commentator also suggested that the children of working parents be provided the opportunity to learn in the most appropriate environment regardless of income. This commentator noted that “juggling work and school is a difficult task,” and requested the lowest possible working hours requirement when considering the final-form regulations. The fourth commentator requested changes to subsection (c)(1) to include the most common education programs – GED and HSE.

Another commentator responded only with a suggestion to change this section to permit the pursuit of a recognized postsecondary credential as meeting compliance with the work requirement in subsection (a). This commentator’s written comments cited to several research studies on the issue, noting that, despite “rising costs and other personal and systemic barriers, people with lower incomes continue enrolling in college at increasingly higher rates than those with higher incomes.” The commentator noted that “this trend reflects the understanding that well-paying jobs require credentials beyond high school and that – in the long term – lifetime earning potential is higher for college graduates than for high school graduates.”

The commentator continued and noted that “welfare reform” nationwide has “significantly decreased the likelihood of adult women enrolling in college by at least 20 percent,” and it has “also reduced participation in full-time vocational and education training programs,” with the effects “far worse for mothers of color.” Furthermore, the commentator noted that “cutting off college as a path to economic security exposes low-income women and their children to greater harm during economic crises, including the current COVID-19 pandemic.”

The commentator then noted a study conducted by the Institute for Women’s Policy Research (IWPR) showing the “benefit of college completion to the state and to parenting residents, particularly for single mothers.” Specifically, IWPR found that “for every dollar spent on a Pennsylvania-based single mother’s college education, there is an \$8.36 return over their lifetime for earning an associate degree; the return is just as significant for those earning a bachelor’s degree, with a \$6.42 return for every invested dollar.” The commentator pointed out that these investments would likely increase the tax payments received by the state of Pennsylvania over the degree-earner’s lifetime and would likely decrease the extent to which parents or caretakers rely on public assistance. The commentator then noted that “access to affordable and high-

quality child care has been shown to play a significant role in student parents' ability to graduate successfully.”

The commentator therefore suggested changing this regulation to treat “the pursuit of a recognized postsecondary credential as meeting any compliance, work participation, and core activity requirements for the child care subsidy program” by adding a new paragraph (3), into the proposed regulation. The proposed addition states, as a new paragraph (3), “the parent or caretaker is enrolled at least half-time in an institution of higher education (as defined in Title 20, Chapter 28 of the Higher Education Act). The time spent in an approved education program counts toward the 20-hour-per-week work requirement.”

Concluding, the commentator noted a study from the Georgetown University Center on Education and the Workforce, which showed that “four out of five jobs lost during the 2008 Great Recession were held by workers with no credential beyond high school. Conversely, workers with at least a four-year college degree were largely protected against job losses and some even experienced job gains.” Finally, the commentator said that “this proposed recommendation reflects the needs of a workforce increasingly reliant on postsecondary credentials”, and that “as our workforce increasingly demands a more educated workforce, we must improve and increase pathways to college completion.”

Response

The Department thanks all of the commentators for their thoughtful feedback. After review of all feedback, the Department made changes to paragraphs (c)(1) and (c)(2). First, the Department changed paragraph (c)(1) to include the two most common education programs – GED and HSE because these programs may be considered training for purposes of the work requirement. Next, the Department explained that eligibility requirements for parents or caretakers dealing with addiction recovery or mental health treatment are prescribed by section 3042.37 (relating to eligibility of households including a parent or caretaker with a disability). The Department notes that a parent or caretaker must provide verification with medical documentation. If a medical professional states the parent or caretaker is unable to work or care for the children, then they are exempt from work requirements in a two-parent household. The Department notes that section 3042.37(e)(3) makes clear that it applies to situations where a parent or caretaker has a need to attend treatment for a disability and is unable to care for the child.

In response to the suggestion that the Department no longer require a paystub or employment prior to getting child care, or at least provide a 2- to 4-week provisional period of eligibility, the Department declines to remove this requirement. The Department considered a similar approach previously but rejected it due to the scarcity of public funds and the demand for subsidized child care services. The Department declined to abolish or lower the prescribed work-hours requirement in subsection (a), which is unchanged from the current requirement.

The final-form rulemaking establishes a temporary period of presumptive eligibility for up to 92 calendar days at application for parents or caretakers who are dealing from homelessness. *See* section 3042.146 (relating to homelessness) and 45 CFR § 98.51 (relating to services for children

experiencing homelessness). Similarly, the final-form rulemaking establishes a temporary period of presumptive continued eligibility at redetermination for parents or caretakers who have provided verification that they have work, education or training to return to that satisfies the work-hours requirement as specified in this final-form regulation and that begins prior to the expiration of the temporary, 92-day period specified in section 3042.147 (relating to presumptive continued eligibility at redetermination).

Next, the Department declines the request to reduce the work-hours requirement in subsection (a) because the requested change was not a part of the proposed rulemaking and is unchanged from the requirement in Chapter 3041.

Finally, the Department declines the request to permit substitution of attendance in training to satisfy the work requirement. Similar to the previous suggestion, the Department notes the request was not a part of the proposed rulemaking and is unchanged from the requirement in Chapter 3041.

§ 3042.35 – Immunization

IRRC responded and identified three areas of concern with this section. First, the proposed subsection (a) refers to the American Academy of Pediatrics, whereas the child care facilities regulations in 55 Pa. Code §§ 3270.131, 3280.131 and 3290.131 (relating to health information) cite to the Advisory Committee on Immunization Practices (ACIP) of the Centers for Disease Control and Prevention, United States Department of Health and Human Services. IRRC recommended revising the proposed regulation here to refer to the ACIP.

Second, IRRC noted the proposed subsection (a) requires that “immunizations shall be provided as specified in 3270.131, 3280.131 and 3290.131” for certified child care facilities. IRRC observed that the “exemptions for immunization requirements in this subsection appear to conflict with 55 Pa. Code §§ 3270.131, 3280.131 and 3290.131 (relating to health information), including requirements relating to the reasons for exemptions, documentation and recordkeeping. IRRC said, “this subsection should be revised to align with Sections 3270.131, 3280.131 and 3290.131 or the Department should explain why it is not necessary to do so.”

And third, IRRC noted that the proposed subsection (b) allows a “parent or caretaker 90 calendar days to obtain immunizations for the child and self-certify that the child is up to date with immunizations or that the child is exempt from the immunization requirement.” Meanwhile, under 55 Pa. Code §§ 3270.131(e), 3280.131(e) and 3290.131(e), IRRC noted that facilities cannot keep children in care for more than 60 days following the first day of attendance unless the parent provides written verification from a medical professional. As well, IRRC noted that the timetables each for the compliance and documentation requirements appeared to conflict with the same requirements prescribed in 55 Pa. Code §§ 3270.131, 3280.131 and 3290.131.

IRRC asked the Department to revise the proposed subsection (b) to align with the requirements of the child care facilities regulations at 55 Pa. Code §§ 3270, 3280 and 3290 to ensure the protection of the public health, safety and welfare; or explain why it is not necessary to do so.

Response

The Department thanks IRRC and changed subsection (a) to restate the requirement with reference to the ACIP and to state the exemption requirements consistently with the child care facilities regulations in §§ 3270.131, 3280.131 and 3290.131 (relating to health information), as in the final-form paragraphs (a)(1) and (a)(2). The added subsections (a)(1) and (a)(2) also make clear the statements must be signed, dated, and kept in the child's record.

For the provision in subsection (b) authorizing subsidy for up to 90 days, the language is changed to make clear that subsidy will be authorized for up to 60 days from the date of enrollment, or, if the child is experiencing homelessness or is a foster child, then the subsidy is authorized for up to 90 calendar days to obtain up to date immunizations or provide documentation of exemption. The change ensures consistency with the child care facilities regulations as well as compliance with the CCDF and that a grace period is extended to families experiencing homelessness and foster children in recognition that these populations of children may struggle with providing timely documentation. The Department notes the requirement is not new and that Chapter 3041 provided for up to 90 calendar days. For further clarity, the Department reiterates that families have up to 30 days to enroll in child care, and so the authorization of eligibility for subsidized child care comports with health and safety requirements because children may not be enrolled in care upon authorization. The Department notes that once children are authorized and enroll in care, the 60-day period begins, and documentation of immunizations or exemption, as applicable, must be provided to satisfy the requirement. For children who are experiencing homelessness or are in foster care, as consistent with CCDF requirements, the Department authorizes subsidy for an extra 30 days, or 90 days total, to ensure that this vulnerable population of children maintain eligibility while awaiting enrollment.

§ 3042.36 – Citizenship

One commentator, who supported the vast majority of changes, responded that “we encourage the state to use language that ensures eligibility agencies do not use parent immigration status to determine a child's eligibility” and suggested language to make clear the requirement pertains only to the immigration status of the child.

Response

There are no changes here because the language of the requirement is clear. The Department clarified that the language of this requirement is stated only with reference to the child, and that the final-form requirement makes no reference to the child's parents.

§ 3042.37 – Eligibility of households including a parent or caretaker with a disability

One commentator disagreed with the proposed subsection (a) as contrary to 45 CFR § 98.21(a)(1)(ii)(e), stating, that requiring parents to verify that their disability precludes

employment in order to continue to receive subsidy between redeterminations places a significant burden on them that parents who lose employment for other reasons do not have to meet, raises a serious issue of unlawful discrimination.

IRRC had three statements of clarification here. First, IRRC asked about whether the language referring to treatment for a disability in subsections (a)(2) and (b)(3) includes treatment programs like mental health services and drug and alcohol treatment. Second, IRRC asked for clarification about the eligibility standards for families with two parents or caretakers with disabilities. And third, with reference to the proposed subsection (b)(4), IRRC asked if the Department intended to require a court order or safety plan as a condition of eligibility.

Response

This section was reorganized and restated following feedback from IRRC and from a public commentator requesting that to improve clarity, the requirements for verification of disability for a parent or caretaker should be stated without specifying the size of the family. Pursuant to the reorganization, the subsections were reordered. Specifically, requirements were stated for a single parent who is disabled, for a two-parent family who are both disabled, and requirements were stated for each for at application or redetermination or for following a determination of eligibility. The Department clarified that after eligibility has been determined, that subsidy will continue until the next scheduled annual redetermination in the event a parent or caretaker is unable to meet the work, education and training requirements. Finally, requirements were stated for families with one parent who is disabled and the other parent is working, and for two-parent families where one parent is working and there is a court order or safety plan that prohibits the other parent from caring for the child for whom the family has requested subsidy.

In response to IRRC's comment, the Department is clarifying that treatment for a disability includes treatment for mental health services and drug and alcohol treatment. The Department, by way of explanation, reiterates the final-form definition of disability as "a physical or mental impairment that precludes a parent or caretaker from participating in work, education or training." Further, families with two parents or caretakers with disabilities are not eligible for child care assistance under this chapter. However, children in this circumstance may still be eligible for child care through Head Start or Pre-K Counts. Similarly, the Department clarified in the final-form rulemaking that a single-parent household with a disability is not eligible for subsidized child care services either at application or redetermination.

Finally, paragraph (e)(4) was renumbered under a newly-added subsection (f). This paragraph was moved to clarify that a court order is not required in conjunction with the other listed requirements. The changes were made in response to feedback from IRRC requesting clarification of the subsection.

Further, subsection (f) was added to clarify that a two-parent or two-caretaker family may be eligible for subsidized child care if the other parent or caretaker is satisfying the work requirements and a court order or safety plan issued by a children and youth agency prohibits one parent or caretaker from caring for the child for whom the family requested subsidy.

§ 3042.51 – Application

One commentator disagreed with requiring “wet signatures” because of their negative impact on burdensome paperwork requirements.

Response

Wet signatures are not required to complete and successfully submit an application for subsidized child care services. As provided in both the proposed and final-form regulation, parents or caretakers may file an electronically signed online application for subsidized child care “on any day and at any time.” *See* section 3042.51(b) (relating to application).

§ 3042.56 – Personal interview

Seven commentators responded with agreement for removing barriers to parents or caretakers who encounter hardships with participating in face-to-face meetings, and instead allowing telephone contact to satisfy the requirement.

Response

The Department thanks the commentators for their support for those who struggle to participate in the face-to-face meeting and allowing telephone contact to satisfy the requirement. The Department reiterates that telephone contact can satisfy the requirement. Further, the term is outdated and misleading. The Department made changes to further clarify the terminology and better state the requirements. Specifically, the Department added the term “personal interview” to section 3042.3 (relating to definitions), which refers to an informational meeting held between the eligibility agency and the parent or caretaker, which can take place either in person, by telephone, or by other means approved by the Department. The added term is consistent with terminology used in other departmental regulations. *See* 55 Pa. Code sections 123.22 and 133.23. The Department also removed all references to “face-to-face meeting” in the final-form rulemaking and replaced the term with “personal interview” to clarify the meeting can take place in person, by telephone, or by other means approved by the Department. The changes in terminology were made in sections 3042.56, 3042.114, 3042.115, and 3042.117. Following these changes, the proposed subsection (e) was removed because concerns over hardship are negated by the updated terminology, which permits flexibility with respect to satisfying the requirement. As well, subsection (d) was changed to remove “transportation problems” from the requirement because the change in terminology to personal interview alleviates concerns over difficulties with transportation. Finally, the title of this section was changed to “Personal interview” to reflect the updated terminology.

§ 3042.61 – General verification requirements; § 3042.62 – Collateral contact; §§ 3042.64-.68 (all relating to self-certification and verification); and §§ 3042.70-.71 (all relating to self-certification and verification)

Similar to in section 3042.35 (relating to immunization), the Department is combining its response for these above-stated sections. These sections received comments from one commentator, and the comments were all substantively similar and were about electronic data sources. The Department is, therefore, considering all the feedback and responding to these sections together. The Department is clarifying that IRRC responded with a comment about section 3042.70, but the comment was not about electronic data sources. As such, IRRC's comment about section 3042.70 is therefore considered separately as indicated below.

One commentator suggested language for all of these regulations that would account for the existence of electronic data sources. After review and discussion between the commentator and the Department, the commentator suggested changes because it makes sense for the Department to build authority for electronic verification into the regulations, so that as the Department continues to develop capacity for all of its eligibility agencies to conduct electronic verification, there will already exist the requisite, codified legal basis for verification.

Response

The Department appreciates the commentator's feedback and has carefully reviewed the suggested changes regarding electronic data sources in sections 3042.61, 3042.62, 3042.64-.68, 3042.70 and 3042.71. After review, the Department declined the suggested changes. First, the Department reiterates a part of this commentator's feedback, which said, "this should begin with a clear statement that eligibility agencies must attempt to obtain needed information from trusted electronic sources before asking the parent or caretaker to provide verification."

The electronic data sources necessary to permit the suggested changes are not at the time of this final-form rulemaking integrated with or accessible by either the Department or the Department's eligibility agencies. The Department declines to establish requirements regarding electronic data sources that are neither available nor accessible for purposes of determining eligibility for subsidized child care.

The Department, however, pledges to further explore avenues to better integrate and codify requirements relating to electronic data sources in a future rulemaking. The Department clarifies that there is nothing in this final-form rulemaking that precludes the Department from verifying information electronically. Finally, the Department thanks the commentator for their review and invitation and will follow up with the commentator after implementation of this final-form rulemaking to have continued discussions on areas of mutual interest.

§ 3042.63 – Self-certification

Two commentators agreed with allowing parents and caretakers to have additional options to self-certify information not likely to change during the eligibility period and when submitting acceptable eligibility verification.

IRRC disagreed with the proposed paragraph (b)(4) because it conflicts with the child care facility regulations in 55 Pa. Code §§ 3270.131, 3280.131 and 3290.131 (relating to health information).

Response

The Department thanks the commentators and agrees with allowing parents and caretakers additional options to self-certify information not likely to change during the eligibility period and when submitting acceptable eligibility verification.

Regarding IRRC's feedback on paragraph (b)(4), the Department notes there are distinctions between eligibility requirements for subsidized child care (and the related eligibility agencies, parents and caretakers, and providers providing subsidized child care services) and health and safety requirements at regulated child care facilities. This section relates only to eligibility for subsidized child care, and it ensures that the timely provision of documentation does not act as a barrier to eligibility for subsidized child care. If a child is enrolled in a child care facility certified under 55 Pa. Code §§ 3270, 3280 or 3290 (relating to child care centers; group child care homes; and family child care homes), those regulations require additional verification beyond the requirements under this final-form rulemaking.

The Department reiterates that historically, families have cycled in and out of the subsidized child care program. Parents or caretakers would find jobs, lose jobs, and then lose their eligibility and subsidy. Children would leave their early care and education program only to need services again in a few months, by which time they might be placed on a waiting list until funds became available. The Department, therefore, declines to make changes to section 3042.63(b)(4) because changing or removing the language would operate to establish an unnecessary barrier to eligibility to families who are already struggling to break the cycle of poverty and provide timely documentation, which is contrary to CCDF purposes and goals. The Department reiterates that families who enroll in certified child care facilities must provide the documentation as required in Chapters 3270, 3280 and 3290. Finally, the Department notes that self-certification as stated for section 3042.63(b)(4) is currently permitted under the Chapter 3041 regulations.

The Department further notes that subsection (b)(7) was changed to replace references to "face-to-face" with "personal interview" and to correct a citation and the title of a section following changes made in section 3042.56 (relating to personal interview).

§§ 3042.68, 3042.70, 3042.71, 3042.72, and 3042.73 – Regarding Self-Certification and Verification

The Department received several comments supporting the Department's efforts to remove barriers to eligibility, as well as the feedback from IRRC noting inconsistencies between the proposed rulemaking and the child care facilities regulations in Chapters 3270, 3280 and 3290.

After review, and to further address existing barriers to eligibility, the Department made changes to these sections to ensure the requirements are consistently stated and are not unnecessary barriers to eligibility. The Department noted that the proposed terminology was unnecessarily restrictive because medical records can be verified and provided by not only a physician, but also a physician's assistant, a CRNP, or a psychologist. Further, the Department notes this terminology is more restrictive than the terminology found in similar provisions in the child care facilities regulations. The Department determined the incongruities served no regulatory purpose and were unnecessary barriers to eligibility.

The Department, therefore, revised sections 3042.68, 3042.70, 3042.71, 3042.72, and 3042.73 to restate the requirements to make reference to "licensed physician, physician's assistant, CRNP or psychologist."

§ 3042.70 – Verification of inability to work due to a disability

IRRC stated this section "explains verification of a disability in a two-parent or two-caretaker family." IRRC then noted this section is cross-referenced in the proposed section 3042.37(a)(1) (relating to eligibility of households including a parent or caretaker with a disability), regarding verification of a disability in a family with one parent or caretaker. IRRC asked the Department to "consider revising this section to address the verification of disability for a parent or caretaker without specifying the size of the family."

Response

Following changes made to section 3042.37 (relating to eligibility of households with a disability), the Department restated the requirements without specifying the size of the family, as requested by IRRC. The Department reiterates that families with two parents or caretakers with disabilities who are not able to meet the work, education and training requirements are not eligible for subsidized child care assistance under this chapter. The Department note, however, that children in this circumstance may still be eligible for care through Head Start or Pre-K Counts. Similarly, the Department clarified in section 3042.37 that a single-parent household with a disability who is not able to meet the work, education and training requirements is also not eligible for subsidized child care services under this chapter either at application or redetermination.

The Department also observed incongruity in terminology in this section and in sections 3042.68, 3042.71, 3042.72, and 3042.73. The Department determined that the proposed terminology was more restrictive than the terminology used in the other sections of this chapter and in the child care facilities regulations in Chapters 3270, 3280 and 3290, and that such differences served no regulatory purpose. The Department, therefore, made changes to this section to include references to a "licensed physician, physician's assistant, CRNP or psychologist."

§ 3042.72 – Verification of a child’s incapability of caring for himself

IRRC requested correction of the cross-referenced citation here to cite to section 3042.11(d) and not to section 3042.11(c).

Response

The Department thanks IRRC for their careful feedback and corrected the cross-referenced citation from section 3042.11(c) to 3042.11(d). In addition, the Department observed incongruity in terminology in this section and in sections 3042.68, 3042.71, 3042.72, and 3042.73. The Department determined that the proposed terminology was more restrictive than the terminology used in the other sections of this chapter and in the child care facilities regulations in Chapters 3270, 3280 and 3290, and that such differences served no regulatory purpose. The Department, therefore, made changes to this section to include references to a “licensed physician, physician’s assistant, CRNP or psychologist.”

§ 3042.86 – Change reporting and processing

Two commentators disagreed with the proposed section for different reasons. One commentator disagreed with the requirements that no changes may occur during the eligibility period unless they inure to the family’s benefit, unless first the Department addresses the cost-of-living increase to the amount paid per day, and the frequency of subsidy payments to providers.

The other commentator requested the Department make changes to every section of the proposed regulation to better ensure compliance with 45 CFR §§ 98.21(e)(2)(i) and (ii), and 98.21(e)(4)(i) and (ii), which relate, respectively, to changes that must be reported; the way in which parents may report changes; the requirement that the eligibility agency act upon reported changes that would result in a reduction to the co-payment; and the prohibition on agency action that would reduce or terminate subsidy based upon reported changes. The commentator also suggested that the title of this section be changed.

As for subsection (a), the commentator suggested changes to permit the same period of time for change reporting as for the TANF, SNAP, and MA programs – by the 10th day of the month following the month of the change. The commentator also suggested additional reporting requirements because “it is important for parents, eligibility agencies, and advocates to know what” changes must be reported in between redeterminations.” These additions related to notification of a new address and a change in child care provider and purported to satisfy 45 CFR § 98.21(e)(2)(i).

The commentator also suggested a new subsection (b) be added to comply with 45 CFR § 98.21(e)(2)(ii) to ensure an office visit is not required to report a change. The commentator suggested changes to subsection (c) to state that if a parent or caretaker reports an increase in income in excess of 85% of SMI, the eligibility agency shall take the necessary steps to terminate the subsidy with proper notification, as specified. The commentator next suggested that subsection (d) state that “parents and caretakers may voluntarily report changes on an

ongoing basis.” This commentator suggested new subsections (d)(1) and (d)(2) to clarify when the eligibility must act on voluntarily reported changes, and when the eligibility agency is prohibited from acting on information, as is required by 45 CFR § 98.21(e)(4)(i) and (ii), respectively.

After follow-up discussions, the commentator reiterated their comment that the provisions should be clear and complete, and that changing the requirement to the 10th day of the month following the month of the change will enable families to know whether its income has exceeded 85% of the SMI. The commentator followed up later after all discussions were finished, remarking that “we seem to have reached consensus on many of the issues we raised.”

IRRC reviewed the proposed subsections (b) and (c) and asked, first, whether “when determining that a family is no longer eligible”, the eligibility agency considers if “the income is an irregular fluctuation or temporary increase that may not cause the parent’s or caretaker’s annual income to exceed the limit as required under 45 CFR § 98.21(e).” And second, whether the eligibility agency starts “processing the termination as soon as the income change is reported.” IRRC asked the Department to explain the implementation procedures for this final-form regulation. Finally, IRRC suggested that the Department consider revising subsection (b) to clarify how increases in income will be assessed.

Response

Following review of all feedback, the Department made changes to restate and reorganize the requirements. First, as for the other commentator’s feedback here, the Department clarified that the restrictions in changes of the subsidy during the eligibility period are prescribed by the CCDBG and are in no way tied to a cost-of-living increase to the amount paid per day or the frequency of subsidy payments to providers. *See* 45 CFR § 98.21 (relating to eligibility determination processes). Further, as previously provided, payment rates were increased twice prior to this final-form rulemaking. Specifically, the rates were aligned on a regional basis, and then increased to promote and better address concerns over equal access, as is consistent with requirements of the CCDBG. *See* 45 CFR § 98.45 (relating to equal access).

Next, regarding IRRC’s feedback, the Department evaluates reports of increases in income above 85% of the SMI for whether the reported increase is a fluctuation or a mere temporary increase, as required under 45 CFR § 98.21(e). Specifically, income that is not expected to continue, such as overtime or increased wages due to hazard pay, is disregarded in the income calculation. Second, an eligibility agency does not move to immediately terminate the subsidy but instead assesses the reported change to ensure the change in income is not temporary. As requested by IRRC, the Department made changes to clarify these requirements under paragraphs (b)(1) and (2). Regarding the time for the eligibility agency to act, once a parent or caretaker reports a change in income that would result in the family becoming ineligible, the eligibility agency immediately assesses the reported change to determine whether the reported change is an irregular fluctuation or a temporary increase. If the reported change is either an irregular fluctuation or a temporary increase, the eligibility agency will determine there is no change, and eligibility will continue for the remainder of the minimum 12-month eligibility period. If the

change is determined to not be an irregular fluctuation or temporary increase, the eligibility agency will act to terminate the subsidy by issuing an adverse action notice, which states the information specified in section 3042.152 (relating to notice of right to appeal), including the date the family will become ineligible, which is 13 days from the date the notice was issued. Families may appeal an adverse action notice. *See* sections 3042.164 and 3042.165.

The Department also notes that instances whereby parents or caretakers report increases in income above 85% of SMI are scarce. Furthermore, following feedback from one of the commentators, the Department made changes to provide parents or caretakers with additional time to no later than the 10th day of the month following the month of the change to assess the increase in income, and if necessary, report the change as required.

Families receive notification of the specific amount of 85% of the SMI at the time of receiving their eligibility notice. Once the eligibility agency reviews a reported income change, if confirmed as above 85% of SMI, the eligibility agency proceeds with providing proper notification that the subsidy is being terminated, as required by the CCDBG and this final-form regulation.

Finally, regarding the commentator's several suggestions, after extensive follow-up meetings with the commentator, the Department accepted some of the suggestions and otherwise reorganized and clarified the requirements for this section. Specifically, for subsection (a), the Department accepted and adopted the suggestion that a parent or caretaker is not required to report a change in income above 85% of the SMI until the 10th day of the month following the month of the change in income. The Department agrees with the commentator's statement that "this allows parents to total their income for the entire month and determine whether the income has gone over the threshold for required reporting." As for the suggestions to add the same reporting requirements for a new address or a change in child care provider, such requirements were neither proposed nor are they prescribed requirements of the CCDBG, and so the Department declined to add them here. However, the substantive provisions of the proposed subsection (a) were moved to the final-form subsection (c).

The Department declined the commentator's suggestion to add a subsection to mirror 45 CFR § 98.21(e)(2)(ii), which stated that "an office visit is not required in order for the parent or caretaker to report a change. A change may be reported by phone, mail, hand-delivery, facsimile or electronically." To clarify, the notification requirements prescribed in the final-form regulation do not require an office visit in order to report a change, nor do the reporting requirements restrict the means through which notification can be provided. The Department declines to make this change since the final-form rulemaking satisfies the requirements of 45 CFR § 98.21(e)(2)(ii) and all other CCDBG requirements.

The Department accepted the suggestion for the final-form subsection (c) to make clear that changes can be reported at any time. The final-form language is substantially similar to the language in 45 CFR 98.21(e)(4).

The Department accepted the suggestions for new provisions under the now final-form subsection (c) to clarify that if a parent or caretaker reports a change, then the eligibility must act

if it's to the family's benefit. Similarly, a new provision was added to clarify the eligibility agency is prohibited from acting on information that would reduce a family's subsidy unless the information indicated income was in excess of 85% of the SMI. These requirements are added to the final-form rulemaking under s (c) paragraphs (1) and (c)(2). Further, the wording of these requirements is substantially similar to the language in 45 CFR 98.21(e)(4)(i) and (ii).

There were no comments received about the proposed subsection (e), and so there were no substantive changes to that provision. Because of other changes made to this final-form regulation, the proposed subsection (e) is the final-form subsection (d). Finally, the Department acknowledged the commentator's suggestion to change the title of this section. Because of the changes made, the Department changed the title of this section to "Change reporting and processing" to describe this provision's content more accurately.

§ 3042.91 – General co-payment requirements

One commentator suggested adding language to this requirement to comply with 45 CFR 98.21(a)(3), to ensure the eligibility agency does not increase the family co-payment during the eligibility period. After follow-up discussions, the commentator stated they suggested clear language that expressly prohibits a co-payment increase during the eligibility period as per federal law.

Response

The Department acknowledges the commentator's thoughtful feedback and adopted in substance the suggested added provision as final-form subsection (f), to clearly state that eligibility agencies shall not increase the co-payment during the eligibility period.

§ 3042.94 – Parent or caretaker co-payment requirements; and § 3042.101 – Eligibility redetermination

The Department is combining its response for these two sections. Notably, the two commentators who disagreed with section 3042.94 also disagreed with section 3042.101.

Seven commentators agreed with removing the requirement that parents or caretakers pay the equivalent of the co-payment in advance. One commentator requested clarification about whether a registration fee and tuition payments that are due the Friday before care begins are considered an advance co-payment. Two commentators disagreed with the abolition of advanced co-payments as well as the expanded eligibility period to every year and not every 6 months. The commentators observed that parents could be redetermined eligible, lose their jobs without providing any notice to the Department, and then as a result be unable to afford to pay the copay, which itself causes a host of issues for child care providers.

One of the two commentators who disagreed with these provisions stated that parents should be held more accountable, and then observed that if a parent owes a large balance to a provider after

incurring fees, the only consequence is to reconcile one week of co-payments. The commentator continued that such parent is then free to transfer to another site, which results in providers being left with large, unpaid balances. The commentator noted that this results in instability for the provider to manage bills, pay mortgages, and pay their payroll, which makes it more difficult to provide quality care, pay better salaries, hire more qualified staff, and stay up to date on the latest materials and supplies. This commentator suggested the Department require parents to settle their entire balances and collect proof of payment from the providers before approving any transfer, and that the Department also require that parents be redetermined eligible before a transfer is granted.

The commentator further suggested that the Department develop a Resolution Department, noting that parents have very little respect for what providers do. Similarly, the commentator suggested that a department be created to audit child care providers, noting possible fraud with child care centers that do not collect co-payments despite the requirement to collect the co-payments pursuant to the provider agreement.

The other commentator who disagreed with this provision disagreed with the expanded eligibility period over concerns of fraud. This commentator suggested that calls or visits occur to the places of employment to verify they are still employed, the number of hours, the schedule, and the hourly wages. This commentator suggested verification of the child's enrollment and that facility records match the information submitted to the eligibility agencies, as well as home visits to the child's address to verify the address, the household, any verification of guardianship, and the safety of the dwelling.

Response

The Department is not changing this section because 12-month eligibility periods are prescribed by the CCDBG. See 45 CFR § 98.21 (relating to eligibility determination processes). Further, tuition and registration fees collected prior to the start of care do not constitute an advance co-payment, but instead, they would be considered an additional charge for care. In addition, providers cannot charge fees to parents receiving subsidized child care services that are in excess of the fees charged for private-pay families. As well, the Department reiterates, as was discussed in the proposed rulemaking, that instances involving termination of subsidy because of failure to meet the work requirements are exceedingly rare.

Next, the Department clarifies that the final-form regulation only removes the requirement for advanced copayments, rather than prohibits what had been a codified barrier to a parent or caretaker who is attempting to become more self-sufficient. The Department agrees that the advanced copayment requirements are and have been difficult to enforce. Since these payments are no longer required under the final-form rulemaking, these payments are an issue between the parent or caretaker and the child care provider. They do not affect a family's eligibility for subsidized child care.

Finally, termination for delinquent co-payments is permitted, and that families cannot transfer a child to a new provider if they are delinquent in their co-payment. If providers report the delinquency timely, by the last day of service for the week the co-payment was not paid, the

eligibility agency will immediately send a notice of adverse action to the family. The family then has 13 days to pay the outstanding co-payment or subsidy will terminate at the end of the notification period. *See* section 3042.95 (relating to delinquent co-payment).

If providers do not report the delinquency timely, and wait, *e.g.*, several weeks to report it, the family is responsible to pay only the delinquent co-payment from the time it was reported to the time the notice of adverse action was sent. When the parent or caretaker makes a payment, the payment is applied to the current week's copayment first. Generally, in order to satisfy the entire delinquent copayment, the parent or caretaker would have to pay the current week's copayment as well as the amount of the delinquency. The Department reiterates that parents or caretakers can report changes that might result in lower co-payments at any time during the eligibility period. *See* section 3042.86 (relating to change reporting and processing). The Department otherwise declined the commentators' suggested changes for parents to settle their entire balances and collect proof of payment from the providers before approving any transfer; for parents be redetermined eligible before a transfer is granted; for the Department to develop a Resolution Department and for the Department to audit child care providers to locate possible fraud with child care centers that do not collect co-payments despite the requirement to collect the co-payments; for the eligibility agencies to call or visit the places of employment to verify they are still employed, the number of hours, the schedule, and the hourly wages; and for requiring verification of the child's enrollment and for facility records to match the information submitted to the eligibility agencies, as well as home visits to the child's address to verify the address, the household, any verification of guardianship, and the safety of the dwelling. The Department declined the suggestions because the suggestions are not CCDBG requirements. The Department noted that its eligibility agencies already require verification consistent with CCDBG requirements, and that this final-form rulemaking requires that a subsidy will be terminated if the parent or caretaker has committed substantiated fraud or intentional program violations that invalidate prior determinations of eligibility.

§ 3042.95 – Delinquent co-payment

Two commentators disagreed with this section. One commentator disagreed with the way the Department conducts complaint investigations, noting that "parents express anger when they are approached with fees for arriving late to collect their children. Their recourse is to abruptly uproot their children and disenroll them from the center, leaving an unpaid balance other than a week's copayment." Continuing, this commentator noted that parents have threatened to report false complaints to the Department "when they don't get their way." The other commentator disagreed this provision because it allows no room for parents or caretakers to work out payment plans with the providers when they have been unable to make co-payments.

After follow-up discussions, the commentator suggested that flexibility be permitted in the regulations to allow for payment agreements between parents and their providers. The commentator stated the only flexibility at present is the circumstance where income decreases and the parent requests a corresponding reduction in the co-payment, and not the many other

circumstances where a parent might have trouble making co-payments even though income has not changed. This commentator explained that their suggested revisions are intended to convey that parents and providers can negotiate agreements that would avoid this result.

Response

Although the Department appreciated the comments received, after careful consideration, the Department is maintaining the regulation as published on proposed rulemaking. First, the Department clarifies that complaint investigations are not prescribed by this rulemaking, but instead, are prescribed by the licensure regulations under 55 Pa. Code §§ 3270, 3280 and 3290 (relating to child care centers; group child care homes; and family child care homes). Next, the payment of incidental fees are issues between the parent or caretaker and the child care provider, and they do not affect a family's eligibility for subsidy.

Next, the Department acknowledges that payments can fall behind for several reasons, and the Department appreciates that financial crises can occur that makes payment of the co-payment difficult even though income has not changed. However, co-payments are required weekly payments. *See* section 3042.91 (relating to general co-payment requirements). Furthermore, pursuant to this final-form rulemaking, and as noted by the commentator, the family co-payment can be decreased at any time following the reporting of a change in the family's circumstances. *See* sections 3042.86 and 3042.94 (relating to change reporting and processing; and parent or caretaker co-payment requirements).

Finally, the Department carefully considered the commentator's suggestions, and after review, the Department declined the suggested changes to permit payment plans between providers and parents or caretakers because enforcement of such a plan would still have the same result, which is the potential loss of eligibility for failure to pay the co-payment. In addition, such a provision might unfairly burden or disadvantage the child care provider community because providers could be placed into situations where payment plans are expected as a matter of course.

The Department further reiterates that co-payments are required by the CCDBG as well as this final-form rulemaking, and that payment plans are not CCDBG requirements. The Department determined that maintaining this provision strikes the appropriate balance between improving stability and continuity of care for vulnerable families across this Commonwealth and addressing the concerns and challenges of the provider community.

§ 3042.98 – Co-payment determination

One commentator requested that the requirement under the proposed section 3042.98(a)(3) be changed to 7% to reflect the CCDF benchmark for affordable parent fees. Also, the commentator suggested the Department ensure that its eligibility agencies maintain timely communication with child care providers about changes in the status of children and families enrolled in the program with respect to eligibility, suspension or redetermination, so as not to increase the financial burden on providers.

IRRC requested clarification to change in proposed paragraph (a)(2) the cross-reference to section 3042.34(a), which appears to be incorrect.

Response

The Department thanks the commentator for the thoughtful feedback, and after review, the Department acknowledges that the federal benchmark is for co-payments to not exceed 7% of the family's income. The Department notes the federal benchmark is and has been set to 7% since 2016, and that the rate is based on data from the U.S. Census Bureau indicating that on average, between 1997 and 2011, the percent of monthly income families spent on child care was constant at around 7%. Consistent with CCDBG provisions relating to equal access, the federal benchmark states that as CCDF assistance is intended to offset the disproportionately high share of income that low-income families spend on child care in order to support parents in achieving economic stability, CCDF families should not be expected to pay a greater share of their income on child care than reflects the national average. As well, the Department notes that this Commonwealth's announced approach to lower co-payments to 3-7 percent is consistent with the federal benchmark that co-payments do not exceed 7 percent. Subsection (a)(3) is therefore changed to ensure that co-payments for families under this rulemaking do not exceed 7% of the family's annual income, and to ensure consistency with subsection (a)(2).

Subsection (a)(4) was amended at final-form rulemaking to replace 8% with 5%, so that families with an annual income of 100% of FPIG or less do not pay co-payments that exceed 5% of the family's annual income. The change to 5% reflects a pro-rata adjustment for consistency with the change made in subsection (a)(3), and it is consistent with the federal benchmark and all CCDBG provisions, including those relating to equal access. The Department reiterates that there have been rate increases twice during the time of preparing this final-form rulemaking that have been made possible through funds from the American Rescue Plan Act of 2021. Finally, the Department notes that Pennsylvania was awarded \$452 million in discretionary funding from the American Rescue Plan Act (ARPA), and that ACF provided to the Department recommendations on the use of those funds. Consistent with the recommendations, a total of \$121.9 million is being used over 4 fiscal years to support the codified reduced family co-payments for the CCW program. This funding is projected for allocation for fiscal years 2021-2025. Federal discretionary dollars will cover the full cost of the change in State Fiscal Year (SFY) 23-24 and partially cover the cost in SFY 24-25, after which time CCDF funds or state funds, or both, will cover the full cost. Similarly, the increased subsidy base rates are funded through the same ARPA funding.

Further, according to the U.S. Census Bureau, the percent of monthly income American families spent on child care on average between the years 1997 and 2011 has stayed constant at around seven percent. In addition, the federal benchmark states that as CCDF assistance is intended to offset the disproportionately high share of income that low-income families spend on child care in order to support parents in achieving economic stability, CCDF families should not be expected to pay a greater share of their income on child care than reflects the national average. In addition to the federal benchmark, the Department reiterates that a core CCDBG purpose is to assist states in delivering high-quality, coordinated early childhood care and education services

to maximize parents' options and support parents trying to achieve independence from public assistance. See 45 CFR § 98.2 (relating to purposes). Finally, the Department note that adoption of the federal benchmark is in line with this Commonwealth's announced approach to lower the copayments to 3-7 percent, which is in line with the federal recommendations for family obligations for subsidized child care. The Department therefore adopted the federal benchmark and changed the final-form subsection (a)(3) to ensure that a family's co-payment does not exceed 7% of the family's annual income. The Department reiterates that it made changes to the final-form subsection (a)(4) to ensure the co-payment does not exceed 5% of the family's annual income, which reflects a pro-rata adjustment for consistency with the change made in subsection (a)(3), and is consistent with the federal benchmark, its rationale, and all CCDBG provisions, including those relating to equal access. Next, the Department reiterates that the incorrect cross-referenced citation noted by IRRC has been removed at final-form.

Finally, regarding the commentator who requested for eligibility agencies to maintain timely communications with child care providers about changes in the status of children and families enrolled in the program with respect to eligibility, suspension or redetermination, so as not to increase the financial burden on providers, the Department explained that eligibility agencies are already advised to maintain timely communications with child care providers.

§ 3042.112 – General requirements for former TANF families

One commentator agreed with eliminating redeterminations for former TANF families on the 184th day after TANF ends.

IRRC requested the Department correct a citation under subsection (a)(3). IRRC stated the citation should be to section 3042.12 and not section 3042.12(a).

Response

The Department thanks the commentator for the support. Following feedback from IRRC, the Department changed and corrected the citation to reference to section 3042.12 and not section 3042.12(a).

§ 3042.131 – General provisions for Head Start

IRRC requested the Department correct a cross-reference in the proposed subsection (a) here, which appears incorrect.

Response

The Department thanks IRRC for their careful review and corrected the reference. Specifically, under subsection (a), the Department removed the language "subsection (d)" and replaced it with "§ 3042.132 (relating to eligibility determination for Head Start)."

§ 3042.145 – Domestic and other violence

One commentator requested clarification about suggested changes to ensure that domestic violence survivors are provided the same protection under this rulemaking as for domestic violence survivors under the TANF program, as well as domestic violence survivors under the current regulations. The commentator stated the proposed regulations would effectively reduce or eliminate the allowance for a partial waiver of the work-hours requirements for a parent who loses work within 6 months of redetermination, and so the protection afforded domestic violence victims is being reduced.

After follow-up discussions with this commentator, the commentator suggested the presumptive eligibility requirements be expanded, noting “Perhaps your experience is different, but our experience tells us that parents who lose their jobs, except for those going on leave of some kind, very rarely have an assurance that they will be able to return to work with the same employer. We remain troubled that parents who experience domestic violence or the onset of a disability shortly before their redetermination will be worse off under the proposed regulations than they are under the current ones; expanded presumptive eligibility might help.”

IRRC noted this section provides for a 92-day waiver period of verification requirements and the co-payment, but that this section does not address the redetermination process. IRRC requested the Department to explain how this waiver is implemented and to clarify this section as needed.

Response

First, the Department clarifies that a waiver for domestic violence is limited in scope, and that it only permits the parent or caretaker to waive verification of certain eligibility requirements as well as the copayment for up to 92 days. Unlike the TANF program, a waiver here does not allow for the waiver of eligibility requirements such as age, income limits, state residency, the minimum number of hours of work, education or training, citizenship, or the number of paid absences. After review, the Department declined the suggested language for subsection (b) because it was redundant and unnecessary. The language in subsection (b), in addition to the longer eligibility periods and the availability of presumptive continued eligibility at redetermination in this final-form rulemaking, all operate to ensure that domestic violence survivors are not penalized.

The Department next acknowledges the commentator’s feedback that “there is still a problem here for parents who lose work due to domestic violence within 6 months of their determination.” After suggesting modified language, the commentator insisted that without their suggested language, “those parents would no longer get the six months of protection they get under the current regulations.”

The Department reiterates that the eligibility period under this new chapter is now 12 months and not 6 months. As well, the final-form rulemaking requires only that parents or caretakers satisfy the work requirement at the time of application or redetermination, with the exception being for parents or caretakers who are experiencing homelessness and who qualify for a period of presumptive eligibility or those who may qualify for a period of presumptive continued

eligibility. If a parent or caretaker qualifies at application and then loses their job because of a domestic violence incident, then eligibility will continue until the next redetermination period. This result operates to provide greater protection to domestic violence survivors throughout the entire eligibility period. The Department thanks the commentator for their feedback applauding the Department for exercising this option.

Next, following changes made to the provisions in section 3042.147 (relating to presumptive continued eligibility at redetermination), the Department clarifies those parents or caretakers who are impacted by domestic violence may qualify for a period of presumptive continued eligibility at redetermination provided they have a verifiable job to return to within 92 days following the date of the redetermination. *See* section 3042.147(b). The Department notes that the eligibility period was previously 6 months, and so domestic violence waivers operated differently under shorter eligibility periods that are increased under this final-form rulemaking.

The Department acknowledges the concerns expressed by the commentator regarding parents impacted by domestic violence who might lose employment within 6 months of their redetermination date. Following this feedback from the commentator, the Department conducted a review of its data on waivers, and after review, the Department notes that these instances are exceedingly rare.

Nevertheless, the Department reiterates that the minimum eligibility periods are now 12 months, and so once eligibility is determined, the subsidy must be provided for the balance of the minimum eligibility periods in all cases. Further, the Department declines to further expand presumptive eligibility because the longer, 12-month eligibility period and the availability of presumptive continued eligibility at redetermination already operate to provide greater protection to domestic violence survivors because they permit the parent or caretaker to maintain eligibility for at least the balance of the initial eligibility period, up to 12 months, and because they permit a means for domestic violence survivors to maintain eligibility at redetermination, neither of which were possible under the previous requirements. Further, the addition of subsection (e), which makes clear that, except as specified in subsections (c) and (d), the eligibility agency will grant a domestic violence waiver for the balance of the 12-month eligibility period following verification being provided to the eligibility agency. The addition is consistent with the current section 3041.91(e). The added subsection (e) is therefore consistent with the current framework and ensures this class of vulnerable families is protected for the entirety of the eligibility period. Further, if a waiver under this section is requested at redetermination, then the provisions of the final-form section 3042.147 (relating to presumptive continued eligibility at redetermination) apply. And if those requirements are satisfied, eligibility will be redetermined at the end of the 92-day period, and the eligibility agency will reset the redetermination date.

The Department also added a new subsection (f) following the Department's review to clarify the process for establishing eligibility under this section. Specifically, the requirements in paragraph (1) make clear that if verification pursuant to the Department's form is not provided prior to expiration of the 92-day period specified in subsection (d), or if the family is determined ineligible, the eligibility agency will take the necessary steps to terminate the temporary eligibility with proper notification to the family as specified in section 3042.155 (relating to

notice of adverse action). Next, the requirements in paragraph (2) make clear that if a family is determined ineligible or fails to provide the required verifications, any services received during the 92-day period are not considered an error or improper payment. The eligibility agency will pay any amount owed to a child care provider for services provided. The added requirements are consistent with the Department's current framework for waivers. The Department is clarifying then that as a result of these changes, and as consistent with CCDBG requirements, families experiencing domestic violence will receive 12 months of continuous eligibility following verification under this section.

Further, following feedback received noting confusion and clarity issues on the differences between waivers and presumptive eligibility, the Department reorganized sections 3042.141-3042.147 to improve clarity by stating all of the substantive waiver requirements first, and then listing the requirements for presumptive eligibility. Notably, the current Chapter 3041 permits waivers for domestic violence only. The final-form rulemaking extends waivers to also apply for families experiencing homelessness. As such, waivers only apply under this final-form rulemaking to families experiencing domestic violence or homelessness.

Regarding implementation, granting a waiver excuses the parent or caretaker from meeting certain requirements for up to 92 days. Once the waiver period expires, the parent or caretaker must provide verification or be in compliance with the requirement that was waived. If verification is provided, eligibility and payment will continue for the rest of the 12-month eligibility period. If verification is not provided, or if the individual is determined ineligible, the Department's eligibility agency will take the necessary steps to terminate the subsidy and send a notice of adverse action as specified in section 3042.155 (relating to notice of adverse action). The family can provide the verification at any time before the subsidy is terminated, and once provided, the subsidy will continue for the remainder of the eligibility period. Further, if the parent or caretaker fails to pay the required co-payment, the Department's eligibility agency will take the necessary steps to terminate the subsidy and send a notice of adverse action as specified in section 3042.155 (relating to notice of adverse action).

For presumptive eligibility, there are two types. The first is specifically only for families experiencing homelessness, and that is why the requirement is stated differently than the requirement for domestic and other violence. This is because for families struggling with homelessness, the CCDBG requires the Department to establish procedures to ensure the initial eligibility of children experiencing homelessness while required documentation is obtained. This final-form rulemaking establishes periods of presumptive eligibility for children experiencing homelessness to ensure the satisfaction of this CCDBG requirement. *See* 45 CFR § 98.51.

Next, the Department notes that presumptive continued eligibility under the final-form rulemaking is available to any family who satisfies the requirements at redetermination. Specifically, any family who is not meeting the work hours requirement but has a job to return to within 92 days can be determined presumptively eligible and maintain services. In this scenario, the redetermination is completed on day 92 and if the parent or caretaker is satisfying the work hours requirements, then eligibility will continue for the remainder of the 12-month eligibility period. If the parent or caretaker is not meeting the work hours requirements, then the eligibility

agency will take the necessary steps to terminate the temporary eligibility with proper notification to the family as required under section 3042.155 (relating to notice of adverse action).

§ 3042.146 – Homelessness

Six commentators responded, with five agreeing with waivers for parents or caretakers who are experiencing homelessness. The sixth commentator, who asked several questions about the proposed rulemaking, continued and asked, “If the family is homeless, isn’t the daycare required to report this situation to Children and Youth Services?”

Response

The Department thanks the commentators for their support. As noted, reports about a family that is homeless may be referred to the county Children and Youth office for assessment as a general protection services case. Homelessness is not always unsafe, as it can entail situations when the child or the child’s family has no stable place to live. This includes living in a car, on the street, or staying in a homeless or other temporary shelter.

Next, because of changes made to the definition of presumptive eligibility under section 3042.3 (relating to definitions), the Department made changes to add back in the substantive provisions removed from the proposed definition of presumptive eligibility. Furthermore, to better clarify the differences between waivers and presumptive eligibility, the Department reorganized this section’s provisions and added subsections to more fully state the requirements of this section. Specifically, subsection (a), which was based on the proposed subsection (d), was revised to clarify that at the time of application, the eligibility agency may grant a period of presumptive eligibility to a parent or caretaker who is experiencing homelessness for a temporary period not to exceed 92 calendar days. Next, subsection (b) was added using language that was proposed under the definition of “period of presumptive eligibility.” The additional subsection makes clear that a parent or caretaker who is experiencing homelessness may be permitted to substitute job search activities to meet the work requirement specified in section 3042.33 (relating to work, education and training) for the duration of the period of presumptive eligibility for a temporary period not to exceed 92 calendar days. Subsection (c), also a new subsection, clarifies that a parent or caretaker may be permitted to self-certify their status as experiencing homelessness as specified in section 3042.63 (relating to self-certification) to qualify for and be granted a period of presumptive eligibility for a temporary period not to exceed 92 calendar days. The Department notes the remainder of the subsections concern the waiver requirements.

New subsection (d) establishes that, except as specified in subsections (e) and (f), the eligibility agency will grant a waiver to families who are experiencing homelessness for the balance of the 12-month eligibility period following verification being provided to the eligibility agency. The Department reiterates that the minimum eligibility periods are now 12 months under this final-form rulemaking. This added requirement is consistent with the required minimum 12-month eligibility periods and with the final-form waiver requirement for families dealing with domestic

violence at section 3042.145(e) (relating to domestic and other violence). Subsection (e), meanwhile, restates the proposed subsection (b) and adds a paragraph to clarify that the work requirement is waived only during the initial period of presumptive eligibility. The paragraphs were reordered for congruence with the ordering of the same paragraphs in section 3042.145(c). Subsection (f) restates the proposed subsection (c). There were no changes other than to conform to citation standards.

New subsection (g) clarifies that the eligibility agency will use and accept the Department's form providing for verification by documentary evidence, third party statement or self-certification as acceptable verification of homelessness. The Department notes the congruity of this requirement with the requirement stated in § 3042.145(f) for families who are experiencing domestic or other violence. The added subsection is also consistent with section 3042.143 (relating to general verification requirements for waivers) and was added to emphasize the verification requirement for homelessness and to state the requirements for eligibility for families experiencing homelessness more completely.

Finally, subsection (h), which is based on the proposed subsection (e), was changed to ensure accuracy and consistency with the Department's process and to state the requirement more completely.

Regarding implementation, the Department reiterates the final-form rulemaking is adding homelessness as a waiver in addition to the waiver for domestic violence, which is already authorized currently under the Chapter 3041 regulations, and so the waiver process is the same. The Department notes that provisions similar to subsections (a) and (b) are not under the waiver requirements for domestic violence because the provisions permit substitution of job search activities for the work requirements, consistent with the provisions of the CCDF in 45 CFR 98.51 (relating to services for children experiencing homelessness). The amendments to this subsection make clear that a period of presumptive eligibility permits substitution of job search activities to meet the work requirement for a temporary period not to exceed 92 calendar days, and that such period can be granted at application to a parent or caretaker who is experiencing homelessness. The Department notes that presumptive eligibility at application applies only to families experiencing homelessness, and at application, a parent or caretaker who is experiencing homelessness and who is not meeting the work requirement can be presumptively eligible for up to 92 days to do a job search, and if the parent or caretaker is not meeting the work requirement by the 92nd day, the family is no longer eligible following the eligibility agency's issuance of a notice of adverse action, as specified in section 3042.155 (relating to notice of adverse action). The Department notes the described procedures are now clarified in the final-form subsection (g).

§ 3042.147 – Presumptive continued eligibility at redetermination

One commentator agreed with allowing a 92-day period of presumptive eligibility for parents or caretakers who are on maternity, family or disability leave at the time of redetermination; have experienced the onset of a disability; or have had a break in work, education or training.

IRRC requested clarification for what appears to be a conflict between subsection (a)(3) here and the proposed definition of period of presumptive eligibility, noting that the proposed definition requires that a parent or caretaker either be experiencing homelessness or be on leave approved by the Department with verified work to begin within 92 days.

Response

The Department thanks the commentator for their support and thanks IRRC for their careful review. Similar to section 3042.146 (relating to homelessness), to better clarify the differences between waivers and presumptive eligibility, the Department reorganized this section's provisions and added subsections to state the requirements of this section more completely, and corrected all cross-references. Following changes made to the definition of "period of presumptive eligibility" under section 3042.3 (relating to definitions), the Department made changes to the title to clarify that these requirements relate to presumptive continued eligibility at redetermination. Specifically, the Department restates the requirement in subsection (a) to clarify that a period of presumptive eligibility may not exceed 92 calendar days from the date of the redetermination.

Next, the Department removed the proposed requirements in paragraphs (a)(1)-(3) due to incongruity and confusion because the minimum eligibility periods are 12 months. The Department notes the timing provisions from the proposed definition of "period of presumptive eligibility" were added in response to IRRC's request to remove the timing provisions from the definition into the body of the regulations to make clear that a period of presumptive eligibility is temporary and shall not exceed 92 calendar days from the date of the redetermination. The changed terminology to "period of presumptive continued eligibility" better describes the eligibility because this section concerns eligibility at the time of the redetermination, and so the parent or caretaker has already been determined eligible and is already receiving subsidized child care services based on eligibility from the previous period. This section prevents families from needless cycling on and off from services, and the changed terminology better reflects the purpose of the requirement. The Department reiterates that "period of presumptive continued eligibility" was added to the definitions section under section 3042.3 (relating to definitions), so it is clear the term refers to a temporary period of eligibility that is established at redetermination as provided for in this section.

Next, new subsection (b) establishes that in order for a parent or caretaker to be granted a period of presumptive continued eligibility at redetermination, the parent or caretaker is required to submit verification of work, education or training that satisfies the work-hour requirement as specified in section 3042.33 (relating to work, education and training) that is set to begin prior to the expiration of the temporary 92-day period specified in subsection (a), unless the provisions in section 3042.146 (relating to homelessness) apply. Subsection (c), which is based on the proposed subsection (b), was changed to clarify that the eligibility agency must verify prior to the expiration of the temporary period that the parent or caretaker has begun work, education or training and is in compliance with the work-hours requirement. The change clarifies and states the requirement more consistently with the Department's current process by changing the language to reference action prior to expiration and not at the time of expiration.

New subsection (d) clarifies that temporary eligibility will be terminated in cases where the parent or caretaker has not begun work, education, or training prior to expiration of the temporary period. New subsection (e) establishes that if a family is determined ineligible at any time during a temporary period of presumptive continued eligibility, any services received during the 92-day period are not considered an error or improper payment. The eligibility agency will pay any amount owed to a child care provider for services provided during the temporary period of presumptive continued eligibility. The added requirement is consistent with the provisions in sections 3042.145(f)(2) and 3042.146(g)(2) (relating to domestic and other violence; and homelessness). Subsection (f), which is based on the proposed subsection (c), was changed to clarify that at the end of a 92-day temporary period of presumptive continued eligibility, the eligibility agency will complete a redetermination to establish the 12-month eligibility period and reset the redetermination due date.

The amendments for this section were made because of feedback received from IRRC noting ambiguity in the proposed sections, because of changes made to the definition of “period of presumptive eligibility,” and to state the requirements more completely and consistently as was done with the requirements in sections 3042.145 and 3042.146.

§ 3042.151 – General notification requirements; and § 3042.165 – Eligibility agency responsibilities regarding appeal

The Department is combining its responses for these two sections. For each regulation, there was one commentator who responded with similar feedback. As such, the Department is considering and responding to the feedback together.

One commentator responded and suggested for each of these regulations that the Department expand the period between notice and action on the case to 13 days from 10 days, as it did with the Medical Assistance, SNAP, and TANF programs, in recognition of significant mailing delays. After follow-up discussions, the commentator suggested that the requirements mirror and provide authorization for the 13-day period that is programmed into PELICAN.

Response

The Department acknowledged the commentator’s feedback. After review, the Department adopted the commentator’s suggested changes to expand the period from 10 calendar days to 13 calendar days for each of sections 3042.151(a) and 3042.165(d) and (e). The Department clarified that the requirements are prescribed with reference to action by the eligibility agency and so not the parent or caretaker. After follow-up discussions with this commentator, the commentator requested the regulations mirror and provide for the authorization that is programmed into the Department’s system that is used for the subsidized child care program, Pennsylvania’s Enterprise to Link Information for Children Across Networks (PELICAN). To further address these concerns, and to ensure the requirement is stated for consistency as requested by the commentator, the Department deleted the phrase “in writing” and added the

language “issue written notification” in section 3042.151(a) to ensure the requirement is clear and is consistent with the Department’s process for sending notifications.

§§ 3042.155 – Notice of adverse action; 3042.157 – Notice confirming a change in benefits; 3042.158 – Notice confirming a change in co-payment; and 3042.177 – Co-payment increase related to overpayment

The Department is combining its responses for these sections. For each regulation, there was one commentator who responded with feedback. As such, the Department is considering and responding to all of the feedback together.

One commentator suggested that each of these sections would strip families of the right to an adverse action notice for suspension and changes to the family co-payment. The commentator suggested changed language for each section. After follow-up discussions, the commentator suggested that due process requires an adverse action notice whenever subsidy is reduced, which is what happens effectively when a co-payment is increased. The commentator reiterated that a confirming notice is appropriate for suspension requested by the family but not when imposed unilaterally by the eligibility agency, again because of due process concerns.

Response

After careful consideration, the Department is maintaining the language of these sections. The Department reiterates that family co-payments can only increase at redetermination, and so such an increase would only ever occur for a new eligibility period. Furthermore, when the co-payment amount for a new eligibility period does change, the eligibility agency sends a confirmation notice with appeal rights regardless of whether the change is an increase or a decrease.

Further, all notices of suspension are sent as confirmation notices and include appeal rights regardless of the reason for suspension. Finally, the all notification requirements under this final-form rulemaking ensure due process protections for all families across the Commonwealth.

§ 3042.161 – Appealable actions

IRRC requested that a citation be changed in Paragraph (1) to correct the reference to section 3042.146(c), which appears incorrect.

Response

The Department thanks IRRC for their review and made changes under paragraph (1) to correct the reference to proposed section 3042.146(c) (relating to homelessness) as well as to correct the stated title of the proposed section 3042.147 (relating to presumptive continued eligibility at redetermination) following changes made in this final-form rulemaking. Also, because of the addition of section 3042.22 (relating to subsidy termination) on final-form, the Department

added a paragraph (8) to clarify that subsidy terminations under section 3042.22 may be appealed.

§ 3042.162 – Discontinuation of subsidy during the appeal process

One commentator suggested a new subsection here to allow for the resumption of subsidy pending a hearing decision if the parent catches up on co-payments. After follow-up discussions, the commentator reiterated their suggestion.

Response

The Department thanks the commentator for the feedback and adopted the suggested change to add a new subsection to clarify that following a suspension, a subsidy will be reinstated pending a hearing decision if co-payments are brought up to date.

§§ 3042.163 – Subsidy continuation during the appeal process; 3042.164 – Parent or caretaker rights and responsibilities regarding appeal; 3042.166 – Hearing procedures; and 3042.173 – Delaying recoupment

The Department is combining its responses for these sections. The Department notes that IRRC's feedback applies to each of the sections 3042.163 and 3042.166, and furthermore, only one commentator provided feedback and made suggestions for sections 3042.163, 3042.164, and 3042.173. As such, the Department is considering and responding to the feedback received for these sections together.

One commentator responded and suggested for each of sections 3042.163, 3042.164 and 3042.173, that the Department expand the period between notice and action on the case to 13 days as it did with the Medical Assistance, SNAP, and the TANF programs.

IRRC requested clarification on whether the wording "or received" under either sections 3042.163(a)(1) or 3042.166(b) refers to the date a parent or caretaker hand delivers an appeal. IRRC requested that the requirements establish a procedure that the parent or caretaker is able to comply with.

Response

The Department appreciates the commentator's feedback, but declines to change the requirements from 10 to 13 calendar days. The Department explained that unlike for sections 3042.151 or 3042.165 above, the requirements under sections 3042.163, 3042.164 and 3042.173 are with reference to action by the parent or caretaker and not the Department or eligibility agency. Further, the 10-day period is consistent with the time period for administrative action filings under the General Rules of Administrative Practice and Procedure. 1 Pa. Code § 35.20 (relating to appeals from actions of the staff).

Next, the Department clarified that the wording “or received” refers to the date the eligibility agency receives the appeal. The Department also noted that appeals can be sent via U.S. mail, hand-delivery, facsimile or electronically.

The Department thanks IRRC for their review and concurred that the wording “or received” is vague. As such, the Department removed the word “received” and replacing it with “delivered” to clarify that the appeal must be either postmarked by such date when sent via the mail or delivered by such date when sent via hand-delivery, facsimile or electronically. Pursuant to this feedback from IRRC, the Department made the same changes in section 3042.166(b) (relating to hearing procedures) and section 3042.163(a)(1) (relating to subsidy continuation during the appeal process).

§ 3042.171 – Overpayment

One commentator suggested added language to this regulation to comply with 45 CFR § 98.21(a)(4) to ensure that payments received by families during the eligibility period are not considered an overpayment due to a change in the family’s circumstances during that period of time. The commentator also suggested that parents may inadvertently fail to comply with one or more regulations, and so changes were suggested to require that the failure to comply be intentional, and that no overpayment would be required if the appeal was filed in “good faith.” In follow-up discussions, the commentator reiterated their concerns and asked, “what’s wrong with giving families a break where the overpayment is due to inadvertent error”?

Response

After careful consideration, the Department is maintaining the language of this section. First, the provision at 45 CFR § 98.21(a)(4) concerns error rate reporting requirements “under subpart K,” and it does not concern requirements for eligibility. See 45 CFR § 98.21(a)(4) as well as 45 CFR Subpart K (relating to error rate reporting).

Next, the Department appreciates the concerns of the commentator. After review, the Department determined that the commentator’s suggested language is broad and vague. Specifically, the Department declined the suggested language because the meanings of “intentional” and “good faith” are so broad and vague they could arguably encapsulate any case, thereby rendering the entire provision inoperative. As well, the suggested changes are not required by the CCDBG. Further, this section mirrors the existing requirements under the Chapter 3041 regulations.

Finally, the Department reiterates that subsidy dollars are public funds, and that such funds are scarce. Further, the final-form rulemaking represents a regulatory simplification with respect to application, verification, and the reporting of changes, when either required or requested.

§ 3042.176 – Collection

One commentator suggested changes to this requirement because overpayments in many cases can be very large, and so it is unreasonable to think it is feasible for a family receiving subsidized child care services to pay the amount in full at one time. The commentator continued that its suggested changes would permit a reasonable payment plan agreed upon by the parent or caretaker and the eligibility agency, and they would also permit the eligibility agency to waive collection.

Response

The Department acknowledges the concerns of the commentator but declined the suggested changes. After review, the suggested added language in (b)(1)(i) is functionally redundant to (b)(1)(ii) and (iii). Specifically, the requirement in (b)(1) relates to repayment options, which are as follows: (i) a one-time payment of the full amount owed (and so not a payment plan); (ii) a one-time partial payment and an increase in the co-payment to be paid until repayment is complete (a plan of repayment); and (iii) an increase in the co-payment until the repayment is complete (again, a plan of repayment).

The commentator's suggestion would require the Department and parent or caretaker to negotiate a "reasonable payment plan" above and beyond what is required in either of (b)(1)(ii) or (iii), or in section 3042.177 (relating to co-payment increase related to overpayment). Specifically, sections 3042.175 (relating to repayment) and 3042.177 already require that "the parent or caretaker shall repay the eligibility agency or Department the full amount of the overpayment," and which restrict the Department from raising the co-payment in cases of overpayment above 5% of the family's gross monthly income.

Notably, section 3042.177(a) states that if "the parent or caretaker indicates to the eligibility agency that an increase to 5% would cause hardship to the family, the family and the eligibility agency may agree to a lesser amount." Similarly, section 3042.177(b) states that "a parent or caretaker may choose to increase the co-payment beyond the amount specified in subsection (a) to repay an overpayment in a shorter period of time." After consideration of these requirements, the Department determined that any "reasonable" payment plan would necessarily be limited in scope, as the provisions in sections 3042.176(b)(1)(ii) and (iii) already prescribe partial payments and one-time payments until the repayment is complete.

The Department declined the suggested changes because the suggestions are either redundant or they establish a new process that is not required by the CCDBG, and so the Department declines to add them here.

Statement of Policy

One commentator suggested that the Department's Policy Communication #08-03 be elevated to a Statement of Policy and codified in this rulemaking to better ensure that eligibility agencies follow the *Juras* Principle, as already instructed by the Policy Communication.

Response

The Department has reiterated the *Juras* Principle through its communications to its eligibility agencies. Furthermore, Chapter 275 (relating to appeal and fair hearing and administrative disqualification hearings) already applies to subsidized child care appeals. Lastly, a statement of policy is distinct from a regulation and may not be added as part of a rulemaking. Because the suggested change to add a Statement of Policy is unnecessary, redundant, and not part of the rulemaking process, the Department declines this suggestion.

ANNEX A
TITLE 55. HUMAN SERVICES
PART V. CHILDREN, YOUTH AND FAMILIES MANUAL
Subpart B. ELIGIBILITY FOR SERVICES
Chapter 3041. [RESERVED]

- §§ 3041.1—3041.3. [Reserved].
- §§ 3041.11—3041.22. [Reserved].
- §§ 3041.31—3041.34. [Reserved].
- §§ 3041.41—3041.48. [Reserved].
- § 3041.51. [Reserved].
- § 3041.52. [Reserved].
- §§ 3041.61—3041.78. [Reserved].
- §§ 3041.81—3041.86. [Reserved].
- §§ 3041.91—3041.94. [Reserved].
- §§ 3041.101—3041.109. [Reserved].
- §§ 3041.121—3041.133. [Reserved].
- §§ 3041.141—3041.150. [Reserved].
- §§ 3041.161—3041.167. [Reserved].
- §§ 3041.171—3041.176. [Reserved].
- §§ 3041.181—3041.189. [Reserved].

CHAPTER 3042. SUBSIDIZED CHILD CARE ELIGIBILITY
GENERAL PROVISIONS

Sec.

3042.1. Purpose.

3042.2. Scope.

3042.3. Definitions.

3042.4. Nondiscrimination.

GENERAL BENEFITS

- 3042.11. Provision of subsidized child care.
- 3042.12. Parent choice.
- 3042.13. Subsidy benefits.
- 3042.14. Payment of provider charges.
- 3042.15. Subsidy limitations.
- 3042.16. Prohibition of additional conditions and charges.
- 3042.17. Attendance.
- 3042.18. Absence.
- 3042.19. Subsidy continuation.
- 3042.20. Subsidy suspension.
- 3042.21. Subsidy disruption.
- 3042.22. SUBSIDY TERMINATION.

ELIGIBILITY REQUIREMENTS

- 3042.31. Financial eligibility.
- 3042.32. Residence.
- 3042.33. Work, education and training.
- 3042.34. Prospective work, education and training.
- 3042.35. Immunization.
- 3042.36. Citizenship.
- 3042.37. Eligibility of households including a parent or caretaker with a disability.

DETERMINING FAMILY SIZE AND INCOME

- 3042.41. Family size.
- 3042.42. Income counted.
- 3042.43. Income adjustment.
- 3042.44. Estimating income.

ELIGIBILITY DETERMINATION

3042.51. Application.

3042.52. Initial determination of eligibility.

3042.53. Effective date of coverage.

3042.54. Notification of eligibility status and availability of funding.

3042.55. Period of eligibility.

3042.56. ~~Face-to-face meeting~~ PERSONAL INTERVIEW.

3042.57. Waiting list.

SELF-CERTIFICATION AND VERIFICATION

3042.61. General verification requirements.

3042.62. Collateral contact.

3042.63. Self-certification.

3042.64. Self-declaration.

3042.65. Verification of income.

3042.66. Verification of residence.

3042.67. Verification of work, education and training.

3042.68. Verification of circumstances relating to a decrease in co-payment.

3042.69. Verification of identity.

3042.70. Verification of inability to work due to a disability.

3042.71. Verification of family size.

3042.72. Verification of a child's incapability of caring for himself.

3042.73. Verification of care and control.

3042.74. Verification of foster child status.

ELIGIBILITY AGENCY RESPONSIBILITIES

3042.81. Eligibility agency.

3042.82. Eligibility determination.

3042.83. Confidentiality.

3042.84. Family file.

3042.85. Record retention.

3042.86. ~~Processing reported changes~~ CHANGE REPORTING AND PROCESSING.

3042.87. Voluntary request to terminate subsidized child care.

3042.88. Child abuse reporting.

CO-PAYMENT AND PAYMENT BY THE DEPARTMENT

3042.91. General co-payment requirements.

3042.92. Department's payment.

3042.93. Adjusted co-payment for prospective work.

3042.94. Parent or caretaker co-payment requirements.

3042.95. Delinquent co-payment.

3042.96. Eligibility agency responsibilities regarding co-payment.

3042.97. Use of the Federal Poverty Income Guidelines and State Median Income.

3042.98. Co-payment determination.

3042.99. Co-payment exceeding monthly payment for care.

ELIGIBILITY REDETERMINATION

3042.101. Eligibility redetermination.

3042.102. Procedures for redetermination.

FORMER TANF FAMILIES

3042.111. General provisions for former TANF families.

3042.112. General requirements for former TANF families.

3042.113. Notification requirements for former TANF families.

3042.114. ~~Face-to-face~~ PERSONAL INTERVIEW requirements for former TANF families.

3042.115. Reporting requirements for former TANF families.

3042.116. Verification of transfer of TANF benefits.

3042.117. Failure to contact the eligibility agency following the transfer.

3042.118. Payment authorization for former TANF families.

3042.119. Retroactive payment for former TANF families.

3042.120. Transfer from other states.

3042.121. Expiration of TANF benefits.

3042.122. Verification of expiration of TANF benefits.

HEAD START

3042.131. General provisions for Head Start.

3042.132. Eligibility determination for Head Start.

3042.133. Eligibility redetermination for Head Start.

WAIVERS AND PERIODS OF PRESUMPTIVE ELIGIBILITY

3042.141. ~~Domestic and other violence~~ GENERAL WAIVER REQUIREMENTS.

3042.142. ~~Homelessness~~ TIME FRAME FOR WAIVER DETERMINATIONS.

3042.143. ~~Leave periods at redetermination~~ GENERAL VERIFICATION REQUIREMENTS
FOR WAIVERS.

3042.144. ~~General waiver requirements~~ NOTIFICATION REQUIREMENTS FOR WAIVERS.

3042.145. ~~Time frame for waiver determinations~~ DOMESTIC AND OTHER VIOLENCE.

3042.146. ~~General verification requirements for waivers~~ HOMELESSNESS.

3042.147. ~~General notification requirements for waivers~~ PRESUMPTIVE CONTINUED
ELIGIBILITY AT REDETERMINATION.

NOTIFICATION AND RIGHT TO APPEAL

3042.151. General notification requirements.

3042.152. Notice of right to appeal.

3042.153. Notice of eligibility.

3042.154. Notice of ineligibility.

- 3042.155. Notice of adverse action.
- 3042.156. Notice confirming voluntary withdrawal.
- 3042.157. Notice confirming a change in benefits.
- 3042.158. Notice confirming a change in co-payment.
- 3042.159. Notice of overpayment.

APPEAL AND HEARING PROCEDURES

- 3042.161. Appealable actions.
- 3042.162. Discontinuation of subsidy during the appeal process.
- 3042.163. Subsidy continuation during the appeal process.
- 3042.164. Parent or caretaker rights and responsibilities regarding appeal.
- 3042.165. Eligibility agency responsibilities regarding appeal.
- 3042.166. Hearing procedures.

OVERPAYMENT AND DISQUALIFICATION

- 3042.171. Overpayment.
- 3042.172. Eligibility agency responsibilities regarding overpayment.
- 3042.173. Delaying recoupment.
- 3042.174. Notifying the Department of regarding recoupment.
- 3042.175. Repayment.
- 3042.176. Collection.
- 3042.177. Co-payment increase related to overpayment.
- 3042.178. Collection for a family whose child is no longer in care.
- 3042.179. Disqualification.

GENERAL PROVISIONS

§ 3042.1. Purpose.

This chapter establishes the requirements for a family to receive subsidized child care. Subsidized child care is a nonentitlement benefit made available through limited Federal and State funds.

§ 3042.2. Scope.

This chapter applies to child care eligibility agencies, child care providers, and parents and caretakers requesting or receiving subsidized child care.

§ 3042.3. Definitions.

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

Adjusted family income—Gross countable family income, minus allowable deductions.

Annual income—The family's adjusted monthly income, multiplied by 12 months.

Appeal—A written or oral request by a parent, caretaker or individual acting on behalf of a parent or caretaker for a hearing under Chapter 275 (relating to appeal and fair hearing and administrative disqualification hearings), indicating disagreement with a Departmental or eligibility agency action or failure to act that affects the family's eligibility for subsidized child care.

Application—A signed, dated request by a parent, caretaker or individual acting on behalf of a parent or caretaker for subsidized child care.

CAO—County Assistance Office—The local office of the Department responsible for the determination of eligibility and service delivery in the Cash Assistance, Medical Assistance and Supplemental Nutrition Assistance Programs.

CRNP—CERTIFIED REGISTERED NURSE PRACTITIONER.

Caretaker—An individual who has legal custody of the child or any one of the following individuals who lives with and exercises care and control of the child:

- (i) A foster parent.
- (ii) A grandparent.
- (iii) A great-grandparent.
- (iv) An aunt.
- (v) An uncle.
- (vi) A sibling who is 18 years of age or older.

Child care—Care instead of parental care for part of a 24-hour day.

Collateral contact—A form of verification in which the eligibility agency obtains information from a third party.

Co-payment—The weekly amount the family pays for subsidized child care.

Department—The Department of Human Services of the Commonwealth.

Disability—A physical or mental impairment that precludes a parent or caretaker from participating in work, education or training.

Disqualification—The prohibition against receipt of subsidized child care that results from fraud or an intentional program violation.

Domestic and other violence (domestic violence)—Includes one of the following:

- (i) A physical act that results in, or threatens to result in, physical injury to the individual.

(ii) Mental abuse, including stalking, threats to kidnap, kill or otherwise harm people or property, threats to commit suicide, repeated use of degrading or coercive language, controlling access to food or sleep, and controlling or withholding access to economic and social resources.

(iii) Sexual abuse.

(iv) Sexual activity involving a dependent child.

(v) Being forced as the caretaker or relative of a dependent child to engage in nonconsensual sexual acts or activities.

(vi) A threat of, or attempt at, physical or sexual abuse.

(vii) Neglect or deprivation of medical care.

Education—An elementary school, middle school, junior high or high school program including a ~~general educational development~~ GED program, AN HSE DEGREE, charter school, cyber school and any other program approved by the school district or the Department of Education.

Eligibility agency—The entity designated by the Department with authority to purchase subsidized child care and determine a family's eligibility and co-payment.

Eligibility determination—A decision regarding whether a family qualifies for the subsidized child care program and a determination of the co-payment.

Eligibility redetermination—An annual review by the eligibility agency to determine if a family continues to qualify for subsidized child care, including a review of the co-payment.

Employment—Working for another individual or entity for income.

FPIG—Federal Poverty Income Guidelines—The income levels published annually in the *Federal Register* by the United States Department of Health and Human Services.

Family—The child or children for whom subsidized child care is requested and the following individuals who live with that child or children in the same household:

- (i) A parent of the child.
- (ii) A caretaker and a caretaker's spouse.
- (iii) A biological, adoptive or foster child or stepchild of the parent or caretaker who is under 18 years of age and not emancipated by marriage or by the court.
- (iv) An unrelated child under the care and control of the parent or caretaker, who is under 18 years of age and not emancipated by marriage or by the court.
- (v) A child who is 18 years of age or older but under 22 years of age who MEETS

BOTH OF THE FOLLOWING:

(A) ~~is~~ IS enrolled in AT LEAST ONE OF THE FOLLOWING:

- (I) ADULT BASIC EDUCATION; .
- (II) ENGLISH AS A SECOND LANGUAGE COURSE WORK; .
- (III) a high school; OR a ~~general educational development~~ GED program.
- (IV) AN HSE DEGREE; .
- (V) AN INTERNSHIP, CLINICAL PLACEMENT, APPRENTICESHIP, LAB WORK OR FIELD WORK REQUIRED BY A TRAINING INSTITUTION; ~~or~~ .
- (VI) a A post-secondary program leading to a degree, diploma or certificate ~~and~~.

(B) ~~who is~~ IS wholly or partially dependent upon the income of the parent or caretaker or spouse of the parent or caretaker.

Fraud—The intentional act of a parent or caretaker, at the time of application or redetermination, that results in obtaining, continuing or increasing child care subsidy for which the family is not eligible and that involves any of the following:

- (i) A false or misleading statement
- (ii) The failure to disclose information.

GED—A GENERAL EDUCATIONAL DEVELOPMENT PROGRAM APPROVED BY A SCHOOL DISTRICT OR THE DEPARTMENT OF EDUCATION.

Head Start—Refers to Early Head Start or Head Start as follows:

- (i) *Early Head Start*—A program that serves families with at-risk children from birth to 3 years of age.
- (ii) *Head Start*—A program designed to prepare at-risk children, 3 years of age or older but under 5 years of age, for school success.

Homelessness—Refers to a child who lacks a fixed, regular and adequate nighttime residence as specified in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C.A § 11434a(2)), OR SUCH CHILD'S PARENT OR CARETAKER. The term includes:

- (i) Children and youth who are sharing the housing of other persons due to loss of housing, economic hardship or a similar reason; are living in motels or hotels due to the lack of alternative accommodations; are living in emergency or transitional shelters; or are abandoned in hospitals.

(ii) Children and youth who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings.

(iii) Children and youth who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings.

(iv) Migratory children who qualify as homeless for the purposes of this ~~sub~~title CHAPTER because the children are living in circumstances described in subparagraphs (i) through (iii).

(v) PARENTS AND CARETAKERS OF CHILDREN WHO ARE LIVING IN CIRCUMSTANCES DESCRIBED IN SUBPARAGRAPHS (i) THROUGH (iv).

HSE—A HIGH SCHOOL EQUIVALENCY DEGREE APPROVED BY THE SCHOOL DISTRICT OR THE DEPARTMENT OF EDUCATION.

Income—Includes the following:

(i) Earned income, including gross wages from work, cash and income from self-employment.

(ii) Unearned income or benefits, including cash and contributions received by an individual for which the individual does not provide a service.

~~*Maternity or family leave*—As defined under the Family and Medical Leave Act of 1993 (29 U.S.C.A. §§ 2601–2654).~~

Maximum child care allowance—The highest amount the Department will pay for child care services provided to families eligible for subsidized child care.

Overpayment—The receipt of subsidy for a child for which the family is not or was not eligible or an amount in excess of the amount for which the family was eligible.

~~*Owner or operator of a child care facility*—The legal entity or individual that owns the facility, or the legal entity or a person designated by the legal entity to serve as the facility director.~~

Parent—The biological or adoptive mother or father, or stepmother or stepfather, who exercises care and control of the child for whom subsidy is requested.

~~*Period of presumptive eligibility*—A temporary period not to exceed 92 calendar days, during which the family is eligible for subsidized child care and meets one of the following conditions:~~
OF ELIGIBILITY ESTABLISHED AT APPLICATION FOR FAMILIES EXPERIENCING HOMELESSNESS AS SPECIFIED IN § 3042.146 (RELATING TO HOMELESSNESS).

~~—(i) At application or redetermination, a parent or caretaker in a family that is experiencing homelessness may substitute job search activities to meet the work requirement as specified in § 3042.33 (relating to work, education and training).~~

~~—(ii) At redetermination, a family with a parent or caretaker who is on leave approved by the Department and has verified work, education or training that will begin no later than 92 calendar days following the redetermination due date is considered to be meeting the work requirement as specified in § 3042.33.~~

PERIOD OF PRESUMPTIVE CONTINUED ELIGIBILITY—A TEMPORARY PERIOD OF ELIGIBILITY ESTABLISHED AT REDETERMINATION AS SPECIFIED IN § 3042.147.

PERSONAL INTERVIEW—REFERS TO AN INFORMATIONAL MEETING OR DISCUSSION BETWEEN THE ELIGIBILITY AGENCY AND THE PARENT OR

CARETAKER, WHICH TAKES PLACE IN PERSON, BY TELEPHONE, OR BY OTHER MEANS APPROVED BY THE DEPARTMENT.

Prospective work, education or training—~~Employment, education or training verified by the employer, school official or training official to begin no later than 30 calendar days following the date the parent or caretaker signs and dates the application for subsidized child care~~ FUTURE EMPLOYMENT, EDUCATION OR TRAINING THAT HAS A BEGIN DATE AND IS VERIFIED BY THE EMPLOYER, SCHOOL OFFICIAL OR TRAINING OFFICIAL.

Provider—An organization or individual that directly delivers child care services.

Published rate—A provider's daily charge for a child who does not receive subsidized child care.

Recoupment—Recovery of an overpayment by increasing the co-payment or other payment arrangement.

SMI—State Median Income—An income figure that represents the midpoint in the range of State household income.

Self-certification—A written statement provided by a parent or caretaker for the purpose of establishing selected factors of nonfinancial eligibility.

Self-declaration—A written statement THAT IS SIGNED, DATED AND provided by the parent or caretaker for the purpose of establishing financial or nonfinancial eligibility PENDING VERIFICATION AS DESCRIBED IN § 3042.64 ~~for a period of time not to exceed 30 calendar days.~~

Self-employment—Operating one's own business, trade or profession for profit.

Subsidized child care—Child care service paid for in part with State or Federal funds.

Subsidy suspension—A temporary lapse of subsidized child care that does not affect the family's eligibility status.

TANF—Temporary Assistance for Needy Families Program—

(i) A Federal nonentitlement program under sections 401—419 of the Social Security Act (42 U.S.C.A. §§ 601—619) that provides cash assistance to families including dependent children and an adult.

(ii) The term includes extended TANF benefits that are received beyond the 5-year TANF period.

Tiered-reimbursement—An amount the Department sets and adds to a provider's payment rate if the provider meets additional quality standards, based on the level of quality the provider maintains and the amount of time the child receives care from the provider in a day.

Training—

(i) Instruction that provides the skills or qualifications necessary for a specific vocation or field of employment.

(ii) The term includes adult basic education, English as a second language, A GED PROGRAM, AN HSE DEGREE, a ~~2-year or 4-year~~ postsecondary degree program LEADING TO A DEGREE, DIPLOMA OR CERTIFICATE, an internship, clinical placement, apprenticeship, lab work and field work required by the training institution.

Verification—

(i) The process of confirming information needed to determine eligibility for subsidized child care.

- (ii) The term includes documentary evidence or information obtained through collateral contacts, self-certification and self-declaration.

Waiting list—A record maintained by the eligibility agency of the names of families and their children determined eligible to receive subsidized child care, but for whom funding is not currently available.

Work—Employment or self-employment.

§ 3042.4. Nondiscrimination.

(a) An eligibility agency may not discriminate against applicants for or recipients of Federal or State subsidized funds on the basis of age, race, sex, color, religious creed, national or ethnic origin, ancestry, sexual orientation, gender identity, or physical or mental disability.

(b) An eligibility agency shall offer child care subsidy within the provisions of applicable civil rights laws and regulations, including the following:

- (1) The Pennsylvania Human Relations Act (43 P.S. §§ 951—963).
- (2) The Age Discrimination Act of 1975 (42 U.S.C.A. §§ 6101—6107).
- (3) Title VI of the Civil Rights Act of 1964 (42 U.S.C.A. §§ 2000d—2000d-4a).
- (4) Title VII of the Civil Rights Act of 1964 (42 U.S.C.A. §§ 2000e—2000e-15).
- (5) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C.A. § 794).
- (6) The Americans with Disabilities Act of 1990 (42 U.S.C.A. §§ 12101—12213).

GENERAL BENEFITS

§ 3042.11. Provision of subsidized child care.

(a) Subsidized child care is provided for a child whose family meets financial and nonfinancial eligibility requirements.

(b) Subsidized child care is available to an otherwise eligible child who is under 13 years of age.

(c) Subsidized child care will continue until the eligibility agency completes the family's next scheduled annual redetermination when a child turns 13 years of age between redeterminations.

(d) Subsidized child care is available to an otherwise eligible child who is 13 years of age or older but under 19 years of age and who is PHYSICALLY OR MENTALLY incapable of self-care.

(e) A former TANF family is eligible for a child care subsidy under this chapter as specified in §§ 3042.111—3042.122 ~~regarding former TANF families.~~

(f) The Department, through the Department's contract with the eligibility agency, will direct funding for various populations, including individuals who formerly received TANF benefits and foster children.

§ 3042.12. Parent choice.

(A) A family that is eligible for subsidized child care shall have the right to choose care from a provider that agrees to comply with the Department's standards for provider participation, SUBJECT TO SUBSECTIONS (B) AND (C).

(B) THE DEPARTMENT MAY SUSPEND A SUBSIDY BENEFIT WHEN A PARENT OR CARETAKER USES A PROVIDER WHO HAS RECEIVED A DEPARTMENTAL NOTICE

TO REVOKE OR REFUSE TO RENEW THE PROVIDER'S CERTIFICATE OF COMPLIANCE.

(C) Providers eligible to participate include:

- (1) A child care center certified under Chapter 3270 (relating to child day care centers).
- (2) A group child care home certified under Chapter 3280 (relating to group child day care homes).
- (3) A family child care home certified under Chapter 3290 (relating to family child day care homes).
- (4) A grandparent, great-grandparent, aunt, uncle or sibling of the child who is 18 years of age or older and does not reside within the same household as the child.

§ 3042.13. Subsidy benefits.

A subsidy-eligible family may receive child care during the hours that the child needs care if the parent or caretaker:

- (1) Works or attends education or training, including travel between the parent's or caretaker's work, education or training and the child care facility.
- (2) Requires uninterrupted sleep time following the completion of an overnight work shift.

§ 3042.14. Payment of provider charges.

- (a) A provider participating in the subsidized child care program is eligible to receive payment from the eligibility agency for services provided to a subsidy-eligible child.
- (b) The eligibility agency may not pay child care costs that exceed the maximum child care allowance minus the family co-payment for the type of care the child received from the provider,

except when the Department provides tiered-reimbursement to providers that are eligible based on their participation in the Department's Quality Rating and Improvement System.

(c) The Department may provide tiered-reimbursement based on the availability of funding.

~~(d) If a parent or caretaker selects a provider whose published rate exceeds the Department's payment rate, the provider may charge the parent or caretaker the difference between these two amounts, in addition to the weekly co-payment.~~

~~(e)~~(d) A change in a parent's or caretaker's need for child care and the resulting adjustment in the amount of payment to the provider shall begin on the date the parent or caretaker reports the change or on the date the change begins, whichever is later.

~~(f)~~(e) When additional funding becomes available, the Department may direct any additional funding to providers that offer child care services during non-traditional hours.

~~(g)~~(f) The eligibility agency will not make retroactive payments for child care costs incurred more than 30 days prior to the issuance of an enrollment authorization, with the exception of a former TANF family as specified in § 3042.119 (relating to retroactive payment for former TANF families).

~~(h)~~(g) The Department will not permit new subsidy enrollments at a provider for whom the Department has issued a revocation or refusal to renew.

§ 3042.15. Subsidy limitations.

(a) A family in which a parent or caretaker is receiving funds from the TANF cash assistance program is not eligible for subsidized child care under this chapter.

(b) Subsidized child care may not be used as a substitute for a publicly funded educational program, such as kindergarten or a specialized treatment program. At the parent's or caretaker's request, a subsidy-eligible, kindergarten-age child is permitted 1 additional school year to be enrolled in kindergarten.

~~(c) If a parent or caretaker is the operator of a child care center, group child care home or family child care home as specified in Chapter 3270, Chapter 3280 or Chapter 3290 (relating to child day care centers; group child day care homes; and family child day care homes), A CHILD RECEIVING CARE IN A CHILD CARE FACILITY THAT IS OWNED BY THE CHILD'S PARENT OR CARETAKER IS NOT ELIGIBLE FOR SUBSIDIZED CHILD CARE. and if space is available to enroll the parent's or caretaker's child at the facility operated by the parent or caretaker, that child is not eligible to receive subsidized child care.~~

~~(d) If a parent or caretaker is the operator of a home that is exempt from certification under section 1001 of the Human Services Code (62 P.S. § 1001), and if space is available to enroll the parent's or caretaker's child at the facility operated by the parent or caretaker, that child is not eligible to receive subsidized child care.~~

~~(e)~~(D) A child is ineligible for subsidized child care if not enrolled with an eligible child care provider within 30 calendar days following the date the eligibility agency notifies the parent or caretaker that funding is available to enroll the child UNLESS THE ELIGIBILITY AGENCY DETERMINES THAT ENROLLMENT HAS BEEN DELAYED BECAUSE OF CIRCUMSTANCES OUTSIDE OF A PARENT'S OR CARETAKER'S CONTROL.
~~Exceptions may apply with Departmental approval.~~

(1) IF A PARENT OR CARETAKER FAILS TO PROVIDE A CIRCUMSTANCE OUTSIDE THE PARENT'S OR CARETAKER'S CONTROL, THE CHILD IS INELIGIBLE.

(2) IF A PARENT OR CARETAKER PROVIDES A CIRCUMSTANCE OUTSIDE OF A PARENT'S OR CARETAKER'S CONTROL, THE CHILD WILL REMAIN ELIGIBLE.

§ 3042.16. Prohibition of additional conditions and charges.

The eligibility agency may not:

- (1) Impose eligibility conditions other than conditions listed in this chapter.
- (2) Require the parent or caretaker to select a particular provider or combination of providers as a condition of eligibility.

§ 3042.17. Attendance.

(a) When the parent or caretaker enrolls a child in subsidized child care, the parent or caretaker shall specify, in writing to the eligibility agency, the days for which the parent or caretaker requested child care.

(b) A child must attend child care at the provider on all days for which the parent or caretaker requested child care as specified in § 3042.13 (relating to subsidy benefits), unless the provisions specified in § 3042.20 (relating to subsidy suspension) apply.

§ 3042.18. Absence.

(a) Upon notification from the provider that a child has been absent more than 5 consecutive days for which the child is scheduled to attend child care, the eligibility agency shall send the

parent or caretaker a notice confirming the suspension of the child's enrollment and payment to the provider.

(b) Upon notification from a parent or caretaker that a child has been or will be absent more than 5 consecutive days for which the child is scheduled to attend child care, the eligibility agency shall send the parent or caretaker a notice confirming the suspension of the child's enrollment and payment to the provider.

(c) The notice shall inform the parent or caretaker of the following:

(1) The responsibility of the parent or caretaker to report to the eligibility agency the date of the child's return to care.

(2) Payment shall resume on the date the child returns to care.

(d) If a child's absences exceed 40 total enrollment days in the State's fiscal year, the parent or caretaker is responsible to pay to the provider the provider's verified published daily rate for each day of absence starting with the 41st day of absence. A child is considered absent only once during an enrollment day. Suspended days of service as specified in § 3042.20 (relating to subsidy suspension) are not considered days of absence.

§ 3042.19. Subsidy continuation.

(a) A family's eligibility and payment for subsidized child care continues during a break in or following the loss of work, education or training for the remainder of the child's current 12-month eligibility period.

(b) A child's eligibility and payment for subsidized child care continues for the remainder of the child's current 12-month eligibility period when there is a change in the child's primary

parent or caretaker. The substitute caretaker must meet only the requirement that the family's annual income does not exceed 85% of the SMI.

(c) Subsidized child care will continue at the same level until the family's next scheduled annual redetermination ~~in the following circumstances~~, unless ONE OF the ~~parent or caretaker requests the eligibility agency suspend care~~ FOLLOWING SITUATIONS OCCURS:

(1) ~~A parent or caretaker has a break in work, education or training~~ THE FAMILY'S INCOME EXCEEDS 85% OF THE SMI.

(2) ~~A parent or caretaker experiences a decrease in work, education or training hours~~ THE PROVISIONS SPECIFIED IN § 3042.22 (RELATING TO SUBSIDY TERMINATION) APPLY.

(3) ~~A parent or caretaker experiences the onset of a disability~~ THE PROVISIONS SPECIFIED IN § 3042.86 (RELATING TO CHANGE REPORTING AND PROCESSING) APPLY.

~~(4) A parent or caretaker is on maternity or family leave, as defined under the Family and Medical Leave Act of 1993 (29 U.S.C.A. §§ 2601—2654).~~

§ 3042.20. Subsidy suspension.

(a) The eligibility agency shall suspend subsidy if a child is unable to attend child care for more than 5 consecutive days for which the child is scheduled to attend.

(b) At the parent's or caretaker's request, the eligibility agency shall suspend subsidy for a child who is expected to be absent more than 5 consecutive days.

~~—(c) The eligibility agency shall terminate subsidy for excessive unexplained absences after the subsidy has been suspended for a minimum of 60 consecutive days and the eligibility agency's repeated attempts to contact the parent or caretaker regarding the child's absences are unsuccessful, and following proper notification to the family as specified in § 3042.155 (relating to notice of adverse action).~~

§ 3042.21. Subsidy disruption.

Subsidy to a child may be disrupted if the eligibility agency cannot continue to subsidize the number of children enrolled in subsidized child care due to insufficient State or Federal funding.

(1) Subsidy for children whose family's income is at the highest percentage of the FPIG is disrupted first.

(2) A child whose subsidy is disrupted under this ~~subsection~~ SECTION is placed on the waiting list according to the date of the initial eligibility for subsidized child care.

§ 3042.22. SUBSIDY TERMINATION.

(A) NOTWITHSTANDING § 3042.19 (RELATING TO SUBSIDY CONTINUATION), THE ELIGIBILITY AGENCY SHALL TERMINATE SUBSIDY TO A CHILD PRIOR TO THE NEXT REDETERMINATION IN ANY OF THE FOLLOWING CIRCUMSTANCES:

(1) THE CHILD HAS BEEN ABSENT FOR 60 CONSECUTIVE DAYS OF UNEXPLAINED NON-ATTENDANCE IN CARE, PROVIDED THE ELIGIBILITY AGENCY HAS ATTEMPTED AT LEAST THREE TIMES TO CONTACT THE PARENT OR CARETAKER REGARDING THE CHILD'S ABSENCES.

(2) THE CHILD NO LONGER RESIDES IN THE COMMONWEALTH.

(3) THE PARENT OR CARETAKER COMMITTED SUBSTANTIATED FRAUD OR AN INTENTIONAL PROGRAM VIOLATION THAT INVALIDATES A PRIOR DETERMINATION OF ELIGIBILITY.

(4) THE PARENT OR CARETAKER VOLUNTARILY REQUESTS DISCONTINUANCE OF THE SUBSIDY.

(B) IF THE ELIGIBILITY AGENCY MOVES TO TERMINATE THE SUBSIDY AS DESCRIBED IN SUBSECTION (A), THE ELIGIBILITY AGENCY SHALL SEND NOTIFICATION TO THE FAMILY AS PROVIDED UNDER § 3042.155 (RELATING TO NOTICE OF ADVERSE ACTION).

ELIGIBILITY REQUIREMENTS

§ 3042.31. Financial eligibility.

(a) At initial application, annual family income may not exceed 200% of the FPIG.

(b) Following an initial determination of eligibility, a family shall remain financially eligible for subsidized child care as long as the family's annual income does not exceed 85% of the SMI.

(c) At redetermination, the family's annual income may not exceed 235% of the FPIG or 85% of the SMI, WHICHEVER IS LESS.

(d) The eligibility agency shall inform the parent or caretaker of the annual family income that will exceed 235% of the FPIG or 85% of the SMI and will cause the family to be ineligible for subsidized child care.

(e) A family is ineligible for subsidized child care when the family's assets exceed \$1 million at application and OR redetermination.

§ 3042.32. Residence.

(a) Family members shall be residents of this Commonwealth.

(b) The parent or caretaker shall apply to the eligibility agency that is responsible for the geographic area that includes the zip code of the family's residence.

(c) A parent or caretaker experiencing domestic violence or homelessness may use an alternate address for receipt of mail or telephone number for receipt of telephone calls.

§ 3042.33. Work, education and training.

(a) The parent or caretaker shall work at least 20 hours per week.

(b) The eligibility agency shall average a parent's or caretaker's work hours in cases where hours of work vary from week to week.

(c) The eligibility agency shall consider a parent or caretaker as meeting the work-hour requirement specified in subsection (a), under ANY ONE OF the following circumstances:

(1) A parent or caretaker is under 22 years of age and does not have a high school-~~or~~ general educational development, GED, OR HSE diploma, but is enrolled in and attending education on a full-time basis.

(2) A parent or caretaker attends training and works at least 10 hours per week. The time spent in training counts toward the 20-hour-per-week work requirement.

§ 3042.34. Prospective work, education and training.

(a) A family in which a parent or caretaker has prospective work, education or training may be eligible for subsidized child care if the following requirements are met:

(1) The work, education or training will begin no later than 30 calendar days following the ~~date of application~~ THE PARENT OR CARETAKER SIGNS AND DATES THE APPLICATION FOR SUBSIDIZED CHILD CARE.

(2) Verification of prospective work, education or training is provided as specified in § 3042.67 (relating to verification of work, education and training).

(b) Subsidized child care may not begin until the parent or caretaker begins work, education or training.

(c) The parent or caretaker shall notify the eligibility agency of the actual amount of income no later than 10 calendar days after receiving the first income for work.

§ 3042.35. Immunization.

(a) A child receiving subsidized child care shall be ~~up-to-date~~ UP TO DATE with immunizations as recommended by the ~~American Academy of Pediatrics~~ ADVISORY COMMITTEE ON IMMUNIZATION PRACTICES (ACIP). For facilities subject to certification by the Department, immunizations shall be provided as specified in §§ 3270.131, 3280.131 and 3290.131 (relating to health information). The eligibility agency shall grant exemption from the immunization requirement under one of the following circumstances:

(1) A child's parent or caretaker objects to immunizations on religious grounds OR STRONG PERSONAL OBJECTION EQUATED TO A RELIGIOUS BELIEF MUST BE DOCUMENTED BY A WRITTEN, SIGNED AND DATED STATEMENT FROM

THE CHILD'S PARENT OR GUARDIAN. THE STATEMENT SHALL BE KEPT IN THE CHILD'S RECORD.

(2) ~~A parent or caretaker informs the eligibility agency~~ A CHILD'S PHYSICIAN, PHYSICIAN'S ASSISTANT OR CRNP SIGNS AND DATES A WRITTEN STATEMENT INDICATING that a child's medical condition contraindicates immunization. THE STATEMENT SHALL BE KEPT IN THE CHILD'S RECORD.

(b) If an otherwise eligible child is not ~~up-to-date~~ UP TO DATE with immunizations and not exempt from immunization, the eligibility agency shall authorize the family for subsidy and give the parent or caretaker 60 DAYS FROM THE DATE OF ENROLLMENT, OR IF THE CHILD IS EXPERIENCING HOMELESSNESS OR IS A FOSTER CHILD, THEN 90 calendar days to obtain ~~immunizations for the child and self-certify that the child is up-to-date~~ UP TO DATE with immunizations or PROVIDE DOCUMENTATION OF EXEMPTION ~~that the child is exempt~~ from the immunization requirement.

§ 3042.36. Citizenship.

A child receiving subsidized child care shall be a United States citizen or an alien lawfully admitted for permanent residence or otherwise lawfully and permanently residing in the United States.

§ 3042.37. Eligibility of households including a parent or caretaker with a disability.

(A) AT APPLICATION OR REDETERMINATION, A SINGLE PARENT OR CARETAKER WHO IS UNABLE TO MEET THE WORK, EDUCATION AND TRAINING REQUIREMENTS DUE TO A DISABILITY IS NOT ELIGIBLE FOR SUBSIDIZED CHILD CARE SERVICES.

(B) Following the determination of eligibility for subsidized child care, a single parent or caretaker who ~~meets all of the following conditions~~ IS UNABLE TO MEET THE WORK, EDUCATION AND TRAINING REQUIREMENTS is excused from the work, education and training requirements until the family's next scheduled annual redetermination.:

~~(1) Experiences the onset of a disability that is verified as specified in § 3042.70~~

~~(relating to verification of inability to work due to a disability).~~

~~(2) Is unable to continue work, education or training due to the disability or the need to attend treatment for the disability.~~

(C) AT APPLICATION OR REDETERMINATION, A TWO-PARENT OR TWO-CARETAKER FAMILY WHO ARE BOTH UNABLE TO MEET THE WORK, EDUCATION AND TRAINING REQUIREMENTS DUE TO A DISABILITY ARE NOT ELIGIBLE FOR SUBSIDIZED CHILD CARE SERVICES.

(D) FOLLOWING THE DETERMINATION OF ELIGIBILITY FOR SUBSIDIZED CHILD CARE, A TWO-PARENT OR TWO-CARETAKER FAMILY WHERE BOTH PARENTS ARE UNABLE TO MEET THE WORK, EDUCATION AND TRAINING REQUIREMENTS IS EXCUSED FROM THE WORK, EDUCATION AND TRAINING REQUIREMENTS UNTIL THE FAMILY'S NEXT SCHEDULED ANNUAL REDETERMINATION.

(E) A two-parent or two-caretaker family may be eligible for subsidized child care if all of the following conditions are met:

(1) One parent or caretaker is ~~working~~ SATISFYING THE WORK REQUIREMENT AS SPECIFIED IN § 3042.33 AT THE TIME OF APPLICATION AND AT EACH SUBSEQUENT REDETERMINATION.

(2) The parent or caretaker that is not working has a disability that is verified as specified in § 3042.70 at the time of application, ~~or at the time the parent or caretaker becomes disabled~~ and at each subsequent redetermination.

(3) The parent or caretaker with the disability is unable to work or participate in education or training and is unable to care for the child for whom the family requested subsidy, or has a need to attend treatment for the disability and is unable to care for the child.

~~(4) There is a court order or safety plan issued by a children and youth agency that prohibits the other parent or caretaker from caring for the child for whom the family requested subsidy.~~

(F) A TWO-PARENT OR TWO-CARETAKER FAMILY MAY BE ELIGIBLE FOR SUBSIDIZED CHILD CARE IF BOTH OF THE FOLLOWING CONDITIONS ARE MET:

(1) ONE PARENT OR CARETAKER IS SATISFYING THE WORK REQUIREMENT AS SPECIFIED IN § 3042.33 (RELATING TO WORK, EDUCATION AND TRAINING).

(2) A COURT ORDER OR SAFETY PLAN ISSUED BY A CHILDREN AND YOUTH AGENCY PROHIBITS THE OTHER PARENT OR CARETAKER FROM CARING FOR THE CHILD FOR WHOM THE FAMILY REQUESTED SUBSIDY.

DETERMINING FAMILY SIZE AND INCOME

§ 3042.41. Family size.

(a) Individuals included in the definition of family as specified in § 3042.3 (relating to definitions) shall be counted when determining family size.

(b) A foster child may be counted as a family of one or may be included in a family as defined in this chapter.

§ 3042.42. Income counted.

The eligibility agency shall include the income of the following family members when determining financial eligibility:

- (1) The parent or caretaker of the child for whom subsidy is sought, excluding a teenage parent's earned income.
- (2) A parent's or caretaker's spouse.
- (3) Children for whom the parent or caretaker receives unearned income.

§ 3042.43. Income adjustment.

To determine adjusted family income, the eligibility agency shall:

- (1) Determine gross income as specified in Appendix A, Part I (relating to income to be included, deducted and excluded in determining gross monthly income) for each family member listed in § 3042.42 (relating to income counted).
- (2) Estimate monthly income from each income source in accordance with § 3042.44 (relating to estimating income).
- (3) Convert weekly, biweekly, semimonthly and other pay periods to gross monthly amounts using the Conversion Table in Appendix A, Part I.
- (4) Calculate the total gross monthly income.
- (5) Determine the stepparent deduction as specified in Appendix C (relating to stepparent deduction chart).

(6) Determine other allowable deductions listed in Appendix A, Part II (relating to income to be included, deducted and excluded in determining gross monthly income) for each source of income.

(7) Determine adjusted family income by subtracting the total monthly deductions specified in paragraphs (5) and (6) from the total gross monthly income specified in paragraph (4).

(8) Multiply adjusted family income by 12 to determine annual family income.

§ 3042.44. Estimating income.

(a) The eligibility agency shall use its best estimate of monthly income based upon circumstances at the time of application or redetermination as specified in Appendix A, Part I (relating to income to be included, deducted and excluded in determining gross monthly income) for the table used to convert weekly, biweekly, semimonthly and other pay periods to monthly amounts.

(b) For parents or caretakers who are working and have received pay at the time they apply for subsidized child care, the eligibility agency shall estimate income based upon verified, actual amounts already received by the family prior to application or redetermination.

(c) The eligibility agency shall adjust its estimate of monthly income to reflect recent or anticipated changes and unusual circumstances that are not expected to recur, such as overtime not likely to continue.

(d) When an applicant anticipates starting work within the next 30 days or has not yet received a first paycheck, income eligibility is established based on verified anticipated income.

ELIGIBILITY DETERMINATION

§ 3042.51. Application.

(a) The eligibility agency shall make applications for subsidized child care available to any person upon request.

(b) A parent or caretaker may file a signed application for subsidized child care under this chapter, including an electronically-signed, online application, on any day and at any time.

(c) A parent or caretaker may submit an application by mail, hand-delivery, facsimile or electronically.

§ 3042.52. Initial determination of eligibility.

(a) The eligibility agency shall stamp the date and time of receipt on the signed application on the same day the eligibility agency receives the application by mail, hand-delivery, facsimile or electronically.

(b) The eligibility agency shall determine a family's eligibility and authorize payment for subsidized child care no later than 10 calendar days following verification of all factors of eligibility. The eligibility agency may not delay a determination of eligibility beyond 30 calendar days following receipt of a signed application from the parent or caretaker.

(c) The eligibility agency shall determine a family eligible retroactive to the date the family submitted a signed application if the eligibility agency has received all information necessary to complete the application and the verification provided by the parent or caretaker establishes eligibility.

§ 3042.53. Effective date of coverage.

(a) If the eligibility agency determines a family eligible for subsidized child care and if funding is available, coverage of child care costs is retroactive to the date the family submitted a signed application.

(b) If the eligibility agency places a child on a waiting list following the determination of eligibility, coverage of child care costs must begin on the date funding is available.

§ 3042.54. Notification of eligibility status and availability of funding.

(a) The eligibility agency shall notify the parent or caretaker of the family's eligibility status within 30 calendar days of receiving a signed application.

(b) If the eligibility agency determines a family eligible for subsidized child care, the eligibility agency shall notify the family's child care provider when funding becomes available to enroll the child.

§ 3042.55. Period of eligibility.

A family receiving subsidy remains eligible until determined ineligible.

§ 3042.56. ~~Face-to-face meeting~~ PERSONAL INTERVIEW.

(a) If the eligibility agency determines a family eligible for subsidized child care and if funding is available, the parent or caretaker shall attend a ~~face-to-face meeting~~ PERSONAL INTERVIEW with the eligibility agency no later than 30 calendar days following the date the eligibility agency notifies the family of eligibility for subsidized child care.

(b) If the eligibility agency determines a family eligible for subsidized child care and if funding is not available, the parent or caretaker shall attend a ~~face-to-face meeting~~ PERSONAL

INTERVIEW with the eligibility agency no later than 30 calendar days following the date the first child from a family is enrolled in subsidized child care.

(c) The eligibility agency shall accommodate the parent's or caretaker's work hours in scheduling the ~~meeting~~ PERSONAL INTERVIEW.

(d) The eligibility agency may extend the 30-day time frame for the ~~face-to-face meeting~~ PERSONAL INTERVIEW if, on or before the 30th calendar day, the parent or caretaker claims hardship due to conflicts with the parent's or caretaker's working hours, ~~transportation problems,~~ or illness of the parent or caretaker or another family member. When the parent or caretaker claims hardship, the eligibility agency may grant an additional 30 days from the date the hardship is claimed for the meeting.

~~—(e) The eligibility agency may substitute a telephone contact for a face-to-face meeting if a face-to-face meeting cannot be scheduled without the parent or caretaker experiencing a hardship.~~

(~~f~~) (E) The eligibility agency may waive the requirement for the ~~face-to-face meeting~~ PERSONAL INTERVIEW if the parent or caretaker has completed a ~~face-to-face meeting~~ PERSONAL INTERVIEW with the eligibility agency within the previous 12 months.

§ 3042.57. Waiting list.

(a) If funds are not available to enroll a child following determination of the family's eligibility for subsidy, the eligibility agency shall place an eligible child on a waiting list BASED on PRIORITY AND a first-come, first-served basis. THE DEPARTMENT WILL POST ITS METHOD FOR PRIORITY ON ITS WEBSITE. AN ORDER OF PRIORITY MAY INCLUDE FOSTER CHILDREN, CHILDREN ENROLLED IN PA PRE-K COUNTS, HEAD START,

EARLY HEAD START OR OTHER PROGRAM, NEWBORN SIBLINGS, CHILDREN OF TEEN PARENTS, CHILDREN EXPERIENCING HOMELESSNESS, OR OTHER CIRCUMSTANCES OR VULNERABLE POPULATIONS AS IDENTIFIED BY THE DEPARTMENT.

(b) If a parent or caretaker requests subsidized child care for an additional child following the date the family was initially determined eligible for subsidized child care, the eligibility agency shall place the additional child on the waiting list according to the date and time that the parent or caretaker requests care for the additional child.

(c) A child is ineligible for subsidized child care if not enrolled with an eligible child care provider within 30 calendar days following the date the eligibility agency notifies the parent or caretaker that funding is available to enroll the child UNLESS THE ELIGIBILITY AGENCY DETERMINES THAT ENROLLMENT HAS BEEN DELAYED BECAUSE OF CIRCUMSTANCES OUTSIDE OF A PARENT'S OR CARETAKER'S CONTROL.

~~Exceptions may apply with Departmental approval. These exceptions may include instances with circumstances that are beyond a family's control, such as, returning to work following maternity leave or not being able to enroll a child in care until a spot opens at the only child care facility in the area.~~

(1) IF A PARENT OR CARETAKER FAILS TO PROVIDE A CIRCUMSTANCE OUTSIDE THE PARENT'S OR CARETAKER'S CONTROL, THE CHILD IS INELIGIBLE.

(2) IF A PARENT OR CARETAKER PROVIDES A CIRCUMSTANCE OUTSIDE OF A PARENT'S OR CARETAKER'S CONTROL, THE CHILD WILL REMAIN ELIGIBLE.

SELF-CERTIFICATION AND VERIFICATION

§ 3042.61. General verification requirements.

(a) The parent or caretaker shall be the primary source of verification in establishing and maintaining eligibility for subsidized child care.

(b) The eligibility agency shall assist parents and caretakers in obtaining verification, including making a collateral contact.

(c) The eligibility agency may not impose requirements for verification beyond the requirements of this chapter.

(d) At the time of application for subsidized child care, the eligibility agency shall obtain consent from the parent or caretaker and the parent's or caretaker's spouse permitting the eligibility agency to obtain verification of eligibility information.

(e) The eligibility agency shall retain the signed consent in the family's file.

(f) The consent shall remain in effect for as long as the family receives subsidy.

(g) The eligibility agency may not deny or terminate subsidy to a family when the parent or caretaker has cooperated in the verification process and needed verification is pending or cannot be obtained due to circumstances beyond the parent's or caretaker's control.

(h) The eligibility agency may not require a parent or caretaker to re-verify information unless the eligibility agency has information that indicates the subsidy status of the family has changed.

§ 3042.62. Collateral contact.

- (a) The eligibility agency shall make a collateral contact on behalf of the parent or caretaker.
- (b) The eligibility agency shall obtain from the parent or caretaker a list of sources of reliable collateral contact information.
- (c) The eligibility agency shall cooperate with a source who acts as a collateral contact.
- (d) Sources of reliable collateral contact information may include the following:
 - (1) Public records, such as domestic relations or other courthouse records.
 - (2) A school teacher or principal.
 - (3) A regulated child care provider.
 - (4) A health care professional.
 - (5) A social service worker or counselor.
 - (6) A religious professional.
 - (7) An attorney.
 - (8) Any other third party with knowledge about a fact or circumstance bearing on eligibility.
- (e) The eligibility agency may not contact an alleged abuser or former abuser in a domestic violence situation.

§ 3042.63. Self-certification.

- (a) The eligibility agency shall inform the parent or caretaker in writing that self-certification is made subject to 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

(b) The eligibility agency shall accept the statement of the parent or caretaker as sufficient proof of the following eligibility factors:

- (1) Age of the child.
- (2) Inclusion in the family composition of a child who is 18 years of age or older but under 22 years of age and meets the definition of family set forth in § 3042.3 (relating to definitions).
- (3) Citizenship or immigration status.
- (4) Immunization status or exemption from the immunization requirement.
- (5) Days and hours for which the child needs care.
- (6) Status of an individual who formerly received TANF as specified in § 3042.115(1) (relating to reporting requirements for former TANF families).
- (7) ~~Face-to-face~~ PERSONAL INTERVIEW time frame extension or telephone contact based on hardship as specified in §§ 3042.56(d) AND 3042.56(E)—~~(E)~~ (relating to ~~face-to-face-meeting~~ PERSONAL INTERVIEW).

§ 3042.64. Self-declaration.

(a) If attempts to verify eligibility by documentary evidence or collateral contact are unsuccessful, the eligibility agency shall proceed without delay to determine the family's eligibility based upon a self-certification as specified in § 3042.63 (relating to self-certification) or by written self-declaration by the parent or caretaker.

(b) The eligibility agency shall instruct the parent or caretaker that a written self-declaration is made subject to 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

(c) The eligibility agency shall accept a parent's or caretaker's self-declaration statement, unless evidence contradicts the statement.

(d) If a parent or caretaker uses self-declaration ~~as verification~~ TO ESTABLISH ELIGIBILITY AS DESCRIBED IN SUBSECTION (A), the eligibility agency shall require the parent or caretaker to provide another form of acceptable verification no later than 30 calendar days following the date the written self-declaration is accepted by the eligibility agency, unless otherwise specified in this chapter.

(E) FOR A PARENT OR CARETAKER USING SELF-DECLARATION, ELIGIBILITY IS PENDING VERIFICATION UNTIL ANOTHER FORM OF ACCEPTABLE VERIFICATION IS RETURNED TO THE ELIGIBILITY AGENCY AS REQUIRED UNDER THIS SECTION.

(F) IF THE ELIGIBILITY AGENCY DOES NOT RECEIVE THE VERIFICATIONS AS REQUIRED UNDER THIS SECTION, OR IF THE FAMILY IS DETERMINED INELIGIBLE, THE ELIGIBILITY AGENCY SHALL TAKE THE NECESSARY STEPS TO TERMINATE THE ELIGIBILITY PENDING VERIFICATION WITH PROPER NOTIFICATION TO THE FAMILY AS SPECIFIED IN § 3042.155 (RELATING TO NOTICE OF ADVERSE ACTION).

§ 3042.65. Verification of income.

(a) Acceptable verification of earned income from employment includes one of the following:

(1) Pay stubs reflecting earnings for 4 weeks in the most recent 6-week period, the Department's employment verification form reflecting actual or anticipated earnings, the Internal Revenue Service form used for reporting tips, an employer statement of anticipated earnings and hours, or other document that establishes the parent's or caretaker's earnings or anticipated earnings from employment.

- (2) Another document that establishes income from work.
 - (3) The Department's cash verification form.
 - (4) A collateral contact as specified in § 3042.62 (relating to collateral contact).
 - (5) A written self-declaration by the parent or caretaker as specified in § 3042.64 (relating to self-declaration).
- (b) Acceptable verification of income from self-employment includes:
- (1) Tax returns, including schedules related to self-employment, filed for the preceding Federal tax year and which document profit for that year.
 - (2) The Department's self-employment verification form that includes a statement of gross earnings, minus allowable cost of doing business, and that shows a profit.
- (c) Acceptable verification of unearned income includes one of the following:
- (1) A copy of a current benefit check, an award letter that designates the amount of a grant or benefit, such as a letter from the Social Security Administration stating the amount of the Social Security benefit, a bank statement, a court order, or other document or database report that establishes the amount of unearned income.
 - (2) A collateral contact as specified in § 3042.62.
 - (3) A written self-declaration by the parent or caretaker as specified in § 3042.64.
- (d) Acceptable verification of the amount of support received or paid by the family includes one of the following:
- (1) Information from the Pennsylvania Child Support Enforcement System.

- (2) Information from a domestic relations office.
- (3) Court order.
- (4) Pay stub.
- (5) Written statement by the noncustodial parent or the noncustodial parent's legal representative.
- (6) A copy of a current benefit check that designates the amount of support.
- (7) Collateral contact as specified in § 3042.62.
- (8) A written self-declaration by the parent or caretaker as specified in § 3042.64.

§ 3042.66. Verification of residence.

- (a) The parent or caretaker shall submit verification of residence at the time of application.
- (b) Acceptable verification of residence includes any of the following:
 - (1) Mail received by the parent or caretaker or a copy of a lease, utility bill, deed, driver's license, rental agreement or other document establishing residence.
 - (2) A collateral contact as specified in § 3042.62 (relating to collateral contact).
 - (3) A written self-declaration by the parent or caretaker as specified in § 3042.64 (relating to self-declaration).
- (c) The parent or caretaker shall submit verification of residence at the time of redetermination if the parent or caretaker reported a change of address.

§ 3042.67. Verification of work, education or training.

Acceptable verification of the number of hours of work, education, training or enrollment in education or training includes one of the following:

- (1) A document provided by the parent or caretaker as verification of earned or anticipated earned income, if this verification indicates or can be used to compute the number of hours the parent or caretaker worked, is normally scheduled to work or, in cases when hours vary, the average number of hours worked.
- (2) A copy of a work schedule signed by the employer.
- (3) A copy of the class or training schedule from an education or training representative.
- (4) Another document that establishes the number of hours of work or anticipated hours of work, education or training.
- (5) A collateral contact as specified in § 3042.62 (relating to collateral contact).
- ~~(6) A written self declaration by the parent or caretaker that indicates the parent or caretaker works or will work at least 20 hours per week as specified in § 3042.64 (relating to self declaration).~~

§ 3042.68. Verification of circumstances relating to a decrease in co-payment.

Acceptable verification of circumstances relating to a decrease in co-payment includes any of the following:

- (1) Verification of a decrease in income as specified in § 3042.65 (relating to verification of income).
- (2) Verification of a change in family size and composition as specified in § 3042.71 (relating to verification of family size).
- (3) Verification of maternity and family leave as indicated by one of the following:
 - (i) A birth certificate.

- (ii) The Department's medical assessment form.
- (iii) A medical record or a written statement from a LICENSED physician, PHYSICIAN'S ASSISTANT, CRNP OR PSYCHOLOGIST.
- (iv) A written statement or other documentation completed by a licensed physician, PHYSICIAN'S ASSISTANT, CRNP OR PSYCHOLOGIST that describes the inability to work or participate in education or training and includes a date of anticipated return to work.
- (v) A written statement from the employer or an education or training representative.
- (vi) A collateral contact as specified in § 3042.62 (relating to collateral contact).
- (vii) A written self-declaration by the parent or caretaker as specified in § 3042.64 (relating to self-declaration).

(4) Verification relating to inability to work due to a disability as specified in § 3042.70 (relating to verification of inability to work due to a disability).

§ 3042.69. Verification of identity.

- (a) The parent or caretaker shall submit verification of identity at the time of application.
- (b) Acceptable verification of identity includes any of the following:
 - (1) Employer identification card.
 - (2) Military photo-identification card.
 - (3) Passport.
 - (4) Other verifiable photo-identification.

- (5) Driver's license with or without a photograph.
- (6) State-issued birth certificate.
- (7) Certificate of naturalization.
- (8) Certificate of United States citizenship.
- (9) Alien registration receipt card or permanent resident card.
- (10) Valid or expired State driver's learner's permit.
- (11) Social Security card.
- (12) Marriage license, divorce decree or court order for a name change.
- (13) Marriage record that contains the date of birth.
- (14) Voter registration card.
- (15) A collateral contact as specified in § 3042.62 (relating to collateral contact).
- (16) A written self-declaration by the parent or caretaker as specified in § 3042.64 (relating to self-declaration).

(c) The parent or caretaker shall submit verification of identity at the time of redetermination if the eligibility agency becomes aware of an additional parent or caretaker residing in the household.

§ 3042.70. Verification of inability to work due to a disability.

Acceptable verification of inability to work due to a disability at the time of application or redetermination includes:

- (1) ~~In a two-parent or two-caretaker family, verification of the parent's or caretaker's disability shall include an~~ AN assessment by a ~~physician or psychologist~~ LICENSED PHYSICIAN, PHYSICIAN'S ASSISTANT, CRNP OR PSYCHOLOGIST that states the following:

(i) The condition causing the inability to work or to participate in education or training.

(ii) The manner in which the condition causing the disability prevents the parent or caretaker from providing care for the child.

(iii) The date the parent or caretaker is expected to return to work or resume participation in education or training or the date the parent or caretaker will be able to care for the child.

(2) ~~In a two-parent or two-caretaker family,~~ if IF the parent or caretaker with a disability submits written verification of disability payments from Social Security, Supplemental Security Income (SSI), Worker's Compensation, 100% of Veterans Disability or 100% of another type of work-related disability, that verification shall serve as permanent verification of the parent's or caretaker's inability to work.

§ 3042.71. Verification of family size.

Acceptable verification of family size includes one of the following:

(1) A birth certificate.

(2) A custody order.

(3) A medical record or a written statement from a LICENSED physician, PHYSICIAN'S ASSISTANT, CRNP OR PSYCHOLOGIST.

(4) A written statement from the parent indicating that the caretaker has care and control of the child for whom subsidized child care is requested.

(5) A school record.

(6) A government or social service agency record.

(7) A collateral contact as specified in § 3042.62 (relating to collateral contact).

(8) A written self-declaration by the parent or caretaker as specified in § 3042.64 (relating to self-declaration).

§ 3042.72. Verification of child's incapability of caring for himself.

Acceptable verification of a child's incapability of caring for himself as specified in § 3042.11(e) (D) (relating to provision of subsidized child care) is documentation by a licensed physician, PHYSICIAN'S ASSISTANT, CRNP or psychologist.

§ 3042.73. Verification of care and control.

Acceptable verification of care and control includes one of the following:

(1) A school record.

(2) A medical record or a written statement from a ~~physician~~ LICENSED PHYSICIAN, PHYSICIAN'S ASSISTANT, CRNP OR PSYCHOLOGIST.

(3) A social service record.

(4) A religious record.

(5) A domestic relations office support order.

(6) A court order.

(7) A rental or lease agreement.

(8) ~~A notarized written statement from the parent or caretaker~~ A WRITTEN STATEMENT FROM THE PARENT OR CARETAKER VERIFYING THAT A RELATIVE HAS CARE AND CONTROL OF THE CHILD.

(9) A collateral contact as specified in § 3042.62 (relating to collateral contact).

(10) A written self-declaration by the parent or caretaker as specified in § 3042.64 (relating to self-declaration).

§ 3042.74. Verification of foster child status.

(a) Acceptable verification of foster child status includes one of the following:

(1) A statement from a children and youth agency.

(2) A record from a government or social service agency.

(b) Verification of foster child status must be verified at application, redetermination or upon adding the child to the family composition.

ELIGIBILITY AGENCY RESPONSIBILITIES

§ 3042.81. Eligibility agency.

(a) The eligibility agency shall manage the subsidized child care program in part of a county, a single county or several counties.

(b) The eligibility agency may be either a prime contractor or a subcontractor designated in a prime contract.

§ 3042.82. Eligibility determination.

(a) The eligibility agency shall determine eligibility for subsidized child care as specified in this chapter.

(b) The eligibility agency may not impose eligibility conditions other than the conditions listed in this chapter.

(c) The eligibility agency may not require the parent or caretaker to select a particular provider or combination of providers as a condition of eligibility.

§ 3042.83. Confidentiality.

(a) The eligibility agency and its employees shall keep confidential the information in the family file and use that information only for purposes directly connected to the administration of their duties.

(b) Agents of the United States, the Commonwealth and the Department who are responsible for eligibility review, evaluation or audit functions shall have access to, and the right to the use and disclosure of, information on applicants or recipients of subsidized child care. This use and disclosure is confined to the agent's responsibility to carry out review, evaluation or audit functions.

(c) Disclosure of information beyond the scope of review, evaluation or audit functions performed by the agents requires the parent's or caretaker's informed and written consent.

(d) Information in the family file may be disclosed to the local CAO when necessary to ensure that funds are authorized appropriately.

(e) The eligibility agency shall ensure the confidentiality of an individual who files an appeal or complaint about a family's receipt of subsidized child care for a child.

§ 3042.84. Family file.

(a) An eligibility agency shall establish and maintain a separate file for the family of each parent or caretaker who applies for subsidized child care.

(b) The family file shall contain documents pertaining to eligibility determination, redetermination, subsidized child care authorization, co-payment agreements and copies of written notices required by this chapter.

(c) A parent or caretaker or an authorized representative has a right to examine the family file.

§ 3042.85. Record retention.

(a) An eligibility agency shall retain paper or electronic family files, completed application forms, written notices, books, records and other fiscal and administrative documents pertaining to subsidized child care.

(b) An eligibility agency shall maintain records for at least 6 years from the end of the fiscal year in which subsidized child care has been provided or until an audit or litigation is resolved.

(c) The fiscal year is a period of time beginning July 1 of any calendar year and ending June 30 of the following calendar year.

§ 3042.86. ~~Processing reported changes~~ CHANGE REPORTING AND PROCESSING.

(a) A parent or caretaker ~~may~~ SHALL report ~~a change in circumstances whenever a change occurs~~ INCOME IN EXCESS OF 85% OF THE SMI NO LATER THAN THE 10TH DAY OF THE MONTH FOLLOWING THE MONTH OF THE CHANGE IN INCOME.

~~(b) A parent or caretaker shall report income in excess of 85% of the SMI no later than 10 calendar days following the date of the change.~~

~~(e)~~(b) If the parent or caretaker reports a change that results in the family or a child in the family becoming ineligible for subsidy, the eligibility agency shall EVALUATE THE REPORTED CHANGE AS FOLLOWS:

(1) FIRST, THE ELIGIBILITY AGENCY SHALL ASSESS WHETHER THE REPORTED CHANGE IN INCOME IS AN IRREGULAR FLUCTUATION OR TEMPORARY INCREASE. IRREGULAR FLUCTUATIONS AND TEMPORARY INCREASES WILL NOT IMPACT ELIGIBILITY.

(2) SECOND, FOR A CHANGE IN INCOME THAT IS NOT AN IRREGULAR FLUCTUATION OR TEMPORARY INCREASE IN INCOME, THE ELIGIBILITY AGENCY SHALL take the necessary steps to terminate the subsidy with proper notification to the family as specified in § 3042.155 (relating to notice of adverse action).

~~(d)(c) If the parent or caretaker reports a change that may result in a decrease in the family co-payment, the eligibility agency shall review the change and decrease the co-payment as specified in § 3042.94 (relating to parent or caretaker co-payment requirements)~~ PARENTS AND CARETAKERS MAY VOLUNTARILY REPORT CHANGES ON AN ONGOING BASIS.

(1) THE ELIGIBILITY AGENCY SHALL ACT ON INFORMATION REPORTED BY THE PARENT OR CARETAKER IF IT WOULD REDUCE THE FAMILY CO-PAYMENT OR INCREASE THE FAMILY SUBSIDY. THE ELIGIBILITY AGENCY SHALL REVIEW THE CHANGE AND REDUCE THE CO-PAYMENT AS SPECIFIED IN § 3042.94 (RELATING TO PARENT OR CARETAKER CO-PAYMENT REQUIREMENTS).

(2) THE ELIGIBILITY AGENCY IS PROHIBITED FROM ACTING ON INFORMATION REPORTED BY THE FAMILY THAT WOULD REDUCE THE FAMILY'S SUBSIDY UNLESS THE INFORMATION PROVIDED INDICATES THE FAMILY'S INCOME EXCEEDS 85% OF THE SMI FOR A FAMILY OF THE SAME SIZE.

~~(e)(d)~~ If the parent or caretaker fails to report a change in the child's provider, the child remains eligible. The eligibility agency may not make retroactive payment more than 30 calendar days prior to the date the parent or caretaker reported the change, except for a former TANF family as specified in § 3042.119 (relating to retroactive payment for former TANF families).

§ 3042.87. Voluntary request to terminate subsidized child care.

(a) A parent or caretaker may request the eligibility agency to terminate subsidy.

(b) Upon receipt of a request to terminate subsidy, the eligibility agency shall take steps to terminate the family's eligibility.

(c) The eligibility agency shall notify the parent or caretaker as specified in § 3042.156 (relating to notice confirming voluntary withdrawal).

§ 3042.88. Child abuse reporting.

The eligibility agency shall immediately report suspected child abuse in accordance with the Child Protective Services Law (23 Pa.C.S. §§ 6301—6387) and Chapter 3490 (relating to protective services).

**CO-PAYMENT AND PAYMENT BY
THE DEPARTMENT**

§ 3042.91. General co-payment requirements.

(a) The eligibility agency shall determine the amount of the parent's or caretaker's co-payment during the eligibility process based on the parent's or caretaker's actual or verified anticipated income and family size.

(b) The eligibility agency will set the co-payment at an initial determination of eligibility for subsidized child care and reestablish it at each successive redetermination of eligibility.

(c) The co-payment covers each child in the family who is receiving subsidized child care.

(d) The co-payment includes each day of the week for which the family establishes a need for child care.

(e) The co-payment is due on the first day of the service week and each week thereafter, regardless of the day the parent or caretaker enrolls the child.

(f) THE ELIGIBILITY AGENCY MAY NOT INCREASE THE AMOUNT OF THE CO-PAYMENT DURING THE ELIGIBILITY PERIOD, UNLESS THE PROVISIONS SPECIFIED IN § 3042.176 (RELATING TO COLLECTION) APPLY.

§ 3042.92. Department's payment.

(a) The payment rate is the daily amount paid to a child care provider for services delivered to a child who is eligible for subsidized child care.

(b) If the co-payment does not exceed the payment rate for care, the difference between the payment rate and the weekly co-payment is the Department's payment for subsidized child care.

(c) If the Department's weekly payment to the provider is less than \$5, the family is not eligible for subsidized child care with that provider.

§ 3042.93. Adjusted co-payment for prospective work.

(a) Upon notification by the parent or caretaker of receipt of payment for employment, the eligibility agency shall:

(1) Adjust the family co-payment, if applicable, no later than 20 calendar days following the date the parent or caretaker reports the receipt of payment from employment.

(2) Provide notice to the parent or caretaker of the planned change in the co-payment.

(b) The parent or caretaker shall begin paying the adjusted co-payment starting the first day of the service week following the date the written notice is postmarked or hand-delivered to the parent or caretaker by the eligibility agency.

(c) A single parent or caretaker who applies for subsidized child care and who reports prospective work is not required to pay a co-payment until the parent or caretaker receives income from work.

§ 3042.94. Parent or caretaker co-payment requirements.

(a) If the co-payment is decreased as the result of a parent or caretaker voluntarily reporting a change or as the result of a redetermination, the parent or caretaker shall begin paying the reduced co-payment on the first day of the service week following the date the parent or caretaker reported a change or the date the redetermination was completed.

(b) If the co-payment is increased as the result of a redetermination, the parent or caretaker shall begin paying the increased co-payment on the first service day of the week following the expiration of the notification period specified in § 3042.151(a) (relating to general notification requirements) advising the parent or caretaker of the co-payment increase.

(c) The co-payment is due on the first day of the service week and each week thereafter, regardless of the day the parent or caretaker enrolls the child.

§ 3042.95. Delinquent co-payment.

(a) A co-payment is delinquent if it is not paid by the last day of the service week.

(b) On the day the provider reports the co-payment is delinquent, the eligibility agency shall notify the parent or caretaker in writing that action will be taken to terminate subsidy for the child.

(c) If a co-payment is delinquent, the eligibility agency will apply the first payment paid during a week to the current week's co-payment. The eligibility agency will apply subsequent payments during a week to the delinquent co-payment.

(d) To maintain eligibility for subsidized child care when a parent or caretaker incurs a co-payment delinquency, the parent or caretaker shall pay all of the following prior to the expiration of the notification period:

(1) The current weekly co-payment.

(2) The delinquent co-payment.

(3) The amount of any additional delinquencies accumulated during the notification period.

§ 3042.96. Eligibility agency responsibilities regarding co-payment.

(a) The eligibility agency shall generate notices based on delinquent co-payments.

(b) The eligibility agency shall send the provider a copy of each notice issued to a parent or caretaker whose child is enrolled with the provider.

(c) When a co-payment is reported to the eligibility agency as delinquent, the eligibility agency shall mail a notice to the parent or caretaker. The notice must state that service will be terminated on a date set forth on the notice, which is the first day after 10 calendar days following the date of the written notice, unless the delinquent co-payment is paid by that date.

(d) A family whose subsidy is terminated for failure to make required co-payments may not be reauthorized for subsidy until all outstanding co-payments have been paid in full as specified in § 3042.95(d) (regarding to delinquent co-payment).

(e) The eligibility agency shall retain a copy of the termination notice.

(f) The eligibility agency shall distribute, to each parent or caretaker who applies for subsidized child care, a handbook of parent's rights and responsibilities in the subsidized child care program provided by the Department.

§ 3042.97. Use of the Federal Poverty Income Guidelines and State Median Income.

(a) The FPIG are used to determine the income limits and co-payments for subsidized child care.

(b) Following annual publication of the FPIG, the Department will publish an updated co-payment chart in Appendix B (relating to co-payment chart) through a notice in the *Pennsylvania Bulletin*.

(c) The eligibility agency shall inform each parent or caretaker of the dollar amount that is equivalent to 235% of FPIG or 85% of the SMI.

(d) The eligibility agency shall INFORM EACH PARENT OR CARETAKER ~~explain~~ that 235% of FPIG and ~~the~~ ITS specific dollar figure are the highest annual income amounts permitted at the time of redetermination.

(e) ~~A family is ineligible at any time if its annual income exceeds 85% of the SMI.~~ THE ELIGIBILITY AGENCY SHALL INFORM EACH PARENT OR CARETAKER THAT 85% OF THE SMI AND ITS SPECIFIC DOLLAR FIGURE ARE THE HIGHEST ANNUAL INCOME AMOUNTS PERMITTED BETWEEN REDETERMINATIONS.

(f) A FAMILY IS INELIGIBLE AT ANY TIME ITS ANNUAL INCOME EXCEEDS 85% OF THE SMI.

§ 3042.98. Co-payment determination.

(a) The eligibility agency shall determine the family co-payment based on the following:

(1) The family size and family income as specified in §§ 3042.41—3042.44 ~~regarding determining family size and income.~~

(2) A ~~The~~ co-payment ~~is~~ SHALL BE at least \$5, unless waived as specified in §§ ~~3042.34(a), 3042.145(d)(2) and 3042.146(c)(2) (regarding to prospective work, education and training;~~ RELATING TO domestic and other violence; and homelessness).

(3) EXCEPT AS PROVIDED UNDER PARAGRAPH (2), ~~THE~~ ~~The~~ family's annual co-payment may not exceed ~~+~~ 7% of the family's annual income.

(4) If the family's annual income is 100% of FPIG or less, the annual co-payment may not exceed 85% of the family's annual income.

(b) The eligibility agency shall determine the co-payment by using the co-payment chart in Appendix B (relating to co-payment chart).

§ 3042.99. Co-payment exceeding monthly payment for care.

(a) If the co-payments for 1 month are equal to or exceed the monthly payment for care, the family is not eligible for subsidized child care with that provider. The family must enroll the child or children with another eligible provider as specified in § 3042.12 (relating to parent choice).

(b) If the co-payments for 1 month are equal to or exceed the monthly payment for care because other children in the family are currently on the waiting list, the family may choose to suspend the child's care with that provider until funding becomes available to enroll other children in the family in care.

ELIGIBILITY REDETERMINATION

§ 3042.101. Eligibility redetermination.

(a) The eligibility agency shall complete a redetermination of eligibility no less than every 12 months and establish the family's next redetermination date.

(b) Prior to the redetermination, the eligibility agency shall do the following:

(1) Provide the parent or caretaker with the Department's form listing the following information last reported for each parent or caretaker or child in the family:

- (i) Earned income.
- (ii) Unearned income.
- (iii) Hours of work, education or training.
- (iv) Family composition.
- (v) Address.

(2) Request that the parent or caretaker verify the family's current income.

(3) Verify the following factors only if the parent or caretaker reports a change:

- (i) Work, education or training.
- (ii) The number of hours of work, education or training.
- (iii) Family composition.
- (iv) Address.

(c) The ~~parent~~ PARENT'S or caretaker's annual income must meet the requirements set forth in § 3042.31(c) (relating to financial eligibility).

§ 3042.102. Procedures for redetermination.

(a) No earlier than 6 weeks prior to redetermination, the eligibility agency shall send the family a form that lists the factors that will be reviewed for the redetermination of eligibility and explain the verification that will be needed to complete the redetermination.

(b) If the parent or caretaker submits only some of the required verification elements prior to the redetermination, the eligibility agency shall request in writing that the parent or caretaker submit the additional verification no later than the family's redetermination date.

- (c) The eligibility agency shall retain a copy of the notification in the family file.
- (d) The eligibility agency shall send a written notice to the parent or caretaker regarding failure to provide required verification only after the family's redetermination date.
- (e) The eligibility agency shall require the parent or caretaker to complete, sign, and either mail, hand-deliver, fax or electronically submit the applicable form at each redetermination.

FORMER TANF FAMILIES

§ 3042.111. General provisions for former TANF families.

- (a) A family that is no longer eligible for TANF cash assistance benefits or a family that voluntarily left the TANF program and meets the eligibility requirements specified in this chapter may qualify for subsidized child care.
- (b) The eligibility agency shall review the information received from the CAO about a parent or caretaker who formerly received TANF benefits.
- (c) The eligibility agency shall determine the date TANF benefits ended and establish the 183-day period after eligibility for TANF benefits ends, within which the parent or caretaker may receive child care benefits.
- (d) Eligibility for former TANF child care benefits shall begin the day following the date TANF benefits ended and shall continue for 183 consecutive days.
- (e) The parent or caretaker may request child care benefits at any time during the 183-day period after eligibility for TANF ended.

(f) The eligibility agency may not place a child on a waiting list if a former TANF parent or caretaker requests subsidized child care for that child any time prior to 184 calendar days after TANF benefits ended.

(g) A family is not eligible for former TANF benefits if a parent or caretaker is currently disqualified from receiving TANF benefits as specified in §§ 255.1(c) and 275.51 (relating to restitution and disqualification policy; and imposing the disqualification).

§ 3042.112. General requirements for former TANF families.

(a) During the 183-day period after eligibility for TANF benefits ended or after a family voluntarily left the TANF program, a parent or caretaker shall meet the following conditions:

(1) A former TANF parent or caretaker who is not transferred to the eligibility agency by the CAO or who applies for subsidized child care during the 183-day period after eligibility for TANF ended shall meet the work requirement as specified in § 3042.33 (relating to work, education and training).

(2) The family's annual income may not exceed 85% SMI.

(3) The parent or caretaker shall select an eligible child care provider as specified in § 3042.12~~(a)~~ (relating to parent choice).

(4) The parent or caretaker shall make timely payment of the co-payment as specified in § 3042.91 (relating to general co-payment requirements).

(b) A former TANF parent or caretaker who is transferred to the eligibility agency by the CAO or who applies for subsidized child care during the 183-day period after eligibility for TANF ended as specified in subsection (a) shall not be placed on a waiting list.

(c) The eligibility agency shall complete a redetermination of eligibility and establish the family's next redetermination date as specified in § 3042.101(a) (relating to eligibility redetermination).

§ 3042.113. Notification requirements for former TANF families.

(a) If the eligibility agency determines that a parent or caretaker met the requirements in § 3042.112 (relating to general requirements for former TANF families) and was receiving child care on the date TANF benefits ended, the eligibility agency shall notify the parent or caretaker of the family's eligibility status and the date the 183-day former TANF period will expire.

(b) If the eligibility agency determines that a parent or caretaker was not receiving child care or cannot determine whether the parent or caretaker was receiving child care on the date TANF benefits ended, the eligibility agency shall notify the parent or caretaker by letter of the following:

- (1) The parent or caretaker may be eligible for child care benefits.
- (2) The parent or caretaker may contact the eligibility agency if child care is needed during the 183-day period after TANF benefits ended.
- (3) Eligibility for subsidized child care is assured if the minimum requirements specified in § 3042.112(a) are met.

§ 3042.114. ~~Face-to-face~~ PERSONAL INTERVIEW requirements for former TANF families.

(a) When the parent or caretaker contacts the eligibility agency within 183 days after TANF benefits end, the eligibility agency shall inform the parent or caretaker of the requirement to attend a ~~face-to-face meeting~~ PERSONAL INTERVIEW with the eligibility agency. The ~~face-to-face meeting~~ PERSONAL INTERVIEW shall occur no later than 30 calendar days following the

date of the letter ~~unless, on or before the 30th day, the parent or caretaker claims hardship. At the time the parent or caretaker claims hardship, the eligibility agency may grant an additional 30 days from the date the hardship is claimed for the meeting.~~

(b) When the parent or caretaker contacts the eligibility agency in response to the letter specified in § 3042.113(b) (relating to notification requirements for former TANF families), the eligibility agency shall schedule a ~~face-to-face meeting~~ PERSONAL INTERVIEW with the parent or caretaker. ~~The eligibility agency may substitute a telephone contact for a face-to-face meeting if a face-to-face meeting would cause a hardship for the parent or caretaker.~~

(c) To maintain continuous child care payment from the day following the date TANF benefits ended, the parent or caretaker shall attend a ~~face-to-face meeting~~ PERSONAL INTERVIEW ~~or participate in a telephone contact~~ with the eligibility agency as specified in § 3042.115 (relating to reporting requirements for former TANF families).

(d) The eligibility agency may waive the requirement for the ~~face-to-face meeting~~ PERSONAL INTERVIEW if the parent or caretaker has completed a ~~face-to-face meeting~~ PERSONAL INTERVIEW with the eligibility agency within the previous 12 months.

§ 3042.115. Reporting requirements for former TANF families.

~~Either at AT the time of the parent's or caretaker's face-to-face meeting~~ PERSONAL INTERVIEW with the eligibility agency and within the 183-day period after TANF benefits ended ~~or at the time of telephone contact by the eligibility agency with the parent or caretaker and within the 183-day period after TANF benefits ended,~~ the eligibility agency shall:

(1) Require the parent or caretaker who contacts the eligibility agency within 60 calendar days following the date TANF benefits ended to self-certify the following information that was electronically transferred by the CAO:

- (i) The need for child care to work or attend education or training and the days and hours for which the child needs care.**
- (ii) The name of the employer, education or training.**
- (iii) The hours the parent or caretaker works or attends education or training.**
- (iv) The accuracy of the facts in the TANF transfer information regarding family address, size and income.**
- (v) Financial eligibility as specified in § 3042.112(a) (relating to general requirements for former TANF families).**

(2) Require the parent or caretaker whose information was unavailable or has changed since the time of the electronic transfer to self-declare the information that was unavailable or has changed.

(3) Require the parent or caretaker who does not contact the eligibility agency within 60 calendar days following the date TANF benefits ended to self-declare the following:

- (i) The need for child care to work or attend education or training and the days and hours for which the child needs care.**
- (ii) The name of the employer, education or training.**
- (iii) The hours the parent or caretaker works or attends education or training.**
- (iv) The accuracy of the facts in the TANF transfer information regarding family address, size and income.**
- (v) Financial eligibility as specified in § 3042.112(a).**

- (4) Advise the parent or caretaker to report income in excess of 85% of the SMI.
- (5) The eligibility agency shall require a parent or caretaker to complete a subsidized child care application under the following circumstances:
 - (i) The parent or caretaker received TANF benefits in another state.
 - (ii) The CAO did not have sufficient information to electronically transfer to establish a case file.
- (6) Advise the parent or caretaker that the eligibility agency shall complete an eligibility determination or redetermination.
- (7) Collect information regarding the parent's or caretaker's choice of provider or help the parent or caretaker to locate an eligible provider.

§ 3042.116. Verification of transfer of TANF benefits.

Documentation by the eligibility agency that indicates the date TANF benefits ended within the State or in another state, as specified in § 3042.120(b) (relating to transfer from other states), is acceptable verification of transfer of TANF benefits within the State or from another state.

§ 3042.117. Failure to contact the eligibility agency following transfer.

(a) If a parent or caretaker who was receiving child care on the date TANF benefits ended fails to contact the eligibility agency in response to the letter specified in § 3042.113(a) (relating to notification requirements for former TANF families), the eligibility agency shall contact the parent or caretaker by telephone no later than 31 calendar days following the date of the letter.

(b) When the eligibility agency contacts the parent or caretaker as specified in subsection (a), the eligibility agency shall determine the following:

(1) The parent's or caretaker's choice to ~~meet the contact requirement using a telephone contact or participating in a face-to-face meeting~~ PARTICIPATE IN THE PERSONAL INTERVIEW.

(2) The parent's or caretaker's continuing need for child care.

(c) If the eligibility agency determines that the parent or caretaker was not receiving child care or cannot determine whether the parent or caretaker was receiving child care on the date TANF benefits ended, the eligibility agency may not authorize payment for child care benefits until the date the parent or caretaker contacts the eligibility agency and requests benefits.

(d) If a parent or caretaker who was receiving child care on the date TANF benefits ended does not attend a ~~face-to-face~~ meeting PERSONAL INTERVIEW as specified in § 3042.114(a) (relating to ~~face-to-face~~ PERSONAL INTERVIEW requirements for former TANF families), the eligibility agency shall contact the parent or caretaker by telephone no later than the day following the date the parent or caretaker failed to attend the ~~face-to-face meeting~~ PERSONAL INTERVIEW to determine the information specified in subsection (b).

§ 3042.118. Payment authorization for former TANF families.

(a) The eligibility agency shall review a request from a parent or caretaker to authorize child care payment at any time during the 183-day period after eligibility for TANF benefits ended.

(b) The eligibility agency shall authorize child care payment at any time during the 183-day period after eligibility for TANF ended.

(c) The eligibility agency may not pay child care costs that exceed the maximum child care allowance minus the family co-payment for the type of care the child received from the provider.

§ 3042.119. Retroactive payment for former TANF families.

(a) If the eligibility agency authorizes payment to an eligible provider that is currently participating in the subsidized child care program for a parent or caretaker who was receiving child care on the date TANF benefits ended, the authorization is retroactive to the day following the date TANF benefits ended.

(b) If the eligibility agency determines that the parent or caretaker was not receiving child care or cannot determine whether the parent or caretaker was receiving child care on the date TANF benefits ended, the eligibility agency shall require the parent or caretaker to submit verification of child care costs incurred during the 183-day period after eligibility for TANF ended.

(c) The eligibility agency shall authorize payment to an eligible provider that is currently participating in the subsidized child care program for the parent or caretaker specified in subsection (b) retroactive to the date the parent or caretaker first incurred child care expenses.

(d) If the eligibility agency determines that the parent or caretaker has selected an ineligible provider, it shall inform the parent or caretaker that the parent or caretaker shall contact the eligibility agency to discuss child care arrangements within 30 calendar days as specified in § 3042.12 (relating to parent choice).

§ 3042.120. Transfer from other states.

(a) A parent or caretaker who received TANF program benefits in another state and applies for subsidized child care is eligible if the parent or caretaker meets the following conditions:

- (1) The parent or caretaker applies within 183 days after TANF benefits ended.
- (2) The parent or caretaker meets the requirements specified in § 3042.112 (relating to general requirements for former TANF families).

(b) The eligibility agency shall determine the date TANF benefits ended in the other state and establish eligibility for the 183-day period after eligibility for TANF ended as specified in § 3042.111 (relating to general provisions for former TANF families).

§ 3042.121. Expiration of TANF benefits.

(a) A parent or caretaker who was receiving child care on the date TANF benefits ended and who has exhausted the 5-year limit on TANF benefits is eligible for up to 92 calendar days of subsidized child care to seek work.

(b) The eligibility agency shall determine the date TANF benefits ended and establish the period of former TANF eligibility as specified in § 3042.111 (relating to general provisions for former TANF families).

(c) The parent or caretaker may apply at any time during the 183-day period after eligibility for TANF ended.

(d) The maximum period of potential eligibility for former TANF child care benefits under this section is 183 days.

§ 3042.122. Verification of expiration of TANF benefits.

Documentation by the eligibility agency that indicates the date TANF benefits expired within the State or in another state, as specified in § 3042.121(b) (relating to expiration of TANF benefits), is acceptable verification of expiration of TANF benefits.

HEAD START

§ 3042.131. General provisions for Head Start.

(a) A child who is enrolled in a Head Start program, whose parent or caretaker needs extended hours or days of child care beyond the hours or days provided by the Head Start

program to work, is eligible for subsidized child care under this section if the parent or caretaker meets the eligibility requirements for subsidized child care as specified in ~~subsection (d)~~ § 3042.132 (RELATING TO ELIGIBILITY DETERMINATION FOR HEAD START) each time a child in the family applies for Head Start special eligibility.

(b) The eligibility agency shall verify with the Head Start program that the child is enrolled in a Head Start program that meets Federal and State Head Start standards.

(c) If a child in the family as specified in § 3042.41 (relating to family size) is enrolled in the Head Start program, the family co-payment is based on family size and income. If additional children in the family are enrolled in subsidized child care, the family co-payment is based on family size and income.

(d) If extended hours or days of care are provided beyond the Head Start program hours or days, a facility that has a certificate of compliance by the Department as a child care facility shall provide the extended hours and days of care.

§ 3042.132. Eligibility determination for Head Start.

Upon program entry and continuation in the Head Start special eligibility program, a parent or caretaker shall meet the following conditions:

(1) Verification of a minimum of 20 hours of work per week as specified in § 3042.33 (relating to work, education and training) each time a parent or caretaker applies for a child in the family for the Head Start special eligibility program.

(2) Verification that extended hours and days of child care are needed to work as specified in § 3042.131(a) (relating to general provisions for Head Start).

(3) Verification of income eligibility for subsidized child care as specified in § 3042.31 (relating to financial eligibility) each time a parent or caretaker applies for a child in the family for the Head Start program.

(4) Compliance with the waiting list conditions specified in § 3042.57 (relating to waiting list).

(5) Payment of the co-payment as specified in § 3042.91 (relating to general co-payment requirements).

(6) Report when a child is no longer enrolled in Head Start within 10 calendar days following the date the Head Start enrollment ended.

§ 3042.133. Eligibility redetermination for Head Start.

(a) The eligibility agency may not complete a redetermination prior to the expiration of the 12-month eligibility period as specified in § 3042.101(a) (relating to eligibility redetermination) upon receiving notification that a child is no longer enrolled in a Head Start program.

(b) The eligibility agency shall conduct a redetermination when the child is no longer enrolled in the Head Start program, if the 12-month redetermination period has expired as specified in § 3042.101(a).

(c) The eligibility agency shall conduct a redetermination as specified in § 3042.101 if the family has additional children who are not enrolled in Head Start but receive subsidized child care. A family that includes a child enrolled in a Head Start program and a child who is not enrolled in a Head Start program is subject to redetermination requirements as specified in § 3042.101(a).

(d) Eligibility for a child enrolled in a Head Start program is unrelated to the eligibility of other children in the family who are not enrolled in a Head Start program and receive subsidized child care. Eligibility for a child enrolled in a Head Start program shall continue as specified in this section.

(e) The eligibility agency shall conduct a redetermination between the time a child is no longer enrolled in Early Head Start and the time the child enters Head Start, with the exception of the requirement set forth in subsection (a).

WAIVERS AND PERIODS OF PRESUMPTIVE ELIGIBILITY

§ 3042.141. ~~Domestic and other violence.~~ GENERAL WAIVER REQUIREMENTS.

~~—(a) The eligibility agency may grant a waiver to a parent or caretaker for the following reasons:~~

~~(1) A family member is the victim of past or present domestic or other violence.~~

~~(2) A family member is the victim of a threat of past or present domestic or other violence.~~

~~—(b) The eligibility agency may grant a waiver if compliance with a requirement of this chapter would either make it more difficult for a family or household member to escape domestic violence or place a family or household member at risk of domestic violence.~~

~~—(c) The following requirements of this chapter may not be waived:~~

~~(1) Age of the child as specified in § 3042.11(b) and (c) (relating to provision of subsidized child care).~~

~~(2) Income limits as specified in § 3042.31 (relating to financial eligibility).~~

~~(3) State residency as specified in § 3042.32 (relating to residence).~~

~~(4) The minimum number of hours of work, education or training as specified in § 3042.33 (relating to work, education and training).~~

~~(5) Citizenship as specified in § 3042.36 (relating to citizenship).~~

~~(6) The number of paid absences as specified in § 3042.18 (relating to absence).~~

~~(d) The following may be waived, not to exceed 92 days:~~

~~(1) Verification requirements as specified in §§ 3042.61—3042.74 regarding self-certification and verification.~~

~~(2) The amount of co-payment as specified in § 3042.98 (relating to co-payment determination).~~

THE ELIGIBILITY AGENCY MAY GRANT A WAIVER TO A FAMILY EXPERIENCING DOMESTIC VIOLENCE OR HOMELESSNESS UPON THE REQUEST OF THE PARENT OR CARETAKER AS SPECIFIED IN §§ 3042.145 AND 3042.146 (RELATING TO DOMESTIC AND OTHER VIOLENCE; AND HOMELESSNESS).

§ 3042.142. Homelessness. TIME FRAME FOR WAIVER DETERMINATIONS.

~~(a) The eligibility agency may grant a waiver to a parent or caretaker who is experiencing homelessness as defined in § 3042.3 (relating to definitions).~~

~~(b) The following requirements of this chapter may not be waived:~~

~~(1) Age of the child as specified in § 3042.11(b) and (c) (relating to provision of subsidized child care).~~

~~(2) Income limits as specified in § 3042.31 (relating to financial eligibility).~~

~~(3) State residency as specified in § 3042.32 (relating to residence).~~

~~(4) Citizenship as specified in § 3042.36 (relating to citizenship).~~

~~(5) The number of paid absences as specified in § 3042.18 (relating to absences).~~

~~(c) The following may be waived, not to exceed 92 days:~~

~~(1) Verification requirements as specified in §§ 3042.61—3042.73 regarding self-certification and verification.~~

~~(2) The amount of the co-payment as specified in § 3042.98 (regarding to co-payment determination).~~

~~(d) At the time of application or redetermination, the eligibility agency may: grant a period of presumptive eligibility to a parent or caretaker who is experiencing homelessness.~~

~~(e) At the end of the 92 day period, the eligibility agency will complete a full redetermination to establish the 12 month eligibility period and reset the redetermination due date.~~

THE ELIGIBILITY AGENCY SHALL ACT ON A PARENT'S OR CARETAKER'S WAIVER REQUEST NO LATER THAN 15 CALENDAR DAYS FOLLOWING THE DATE THE PARENT OR CARETAKER REQUESTS THE WAIVER.

**§ 3042.143. ~~Leave periods at redetermination.~~ GENERAL VERIFICATION
REQUIREMENTS FOR WAIVERS.**

~~—(a) The eligibility agency may grant a period of presumptive eligibility, as defined in § 3042.3 (relating to definitions), in the following circumstances:~~

~~—(1) Maternity or family leave as defined under the Family and Medical Leave Act of 1993 (29 U.S.C.A. §§ 2601—2654).~~

~~—(2) Experiences the onset of a disability that is verified as specified in § 3042.70 (relating to verification of inability to work due to a disability).~~

~~—(3) A parent or caretaker has a break in work, education or training that does not exceed 92 days.~~

~~—(b) Upon expiration of the period of presumptive eligibility granted as specified in subsection (a), the parent or caretaker shall submit verification that the parent or caretaker has work, education or training that meets the work-hour requirement as specified in § 3042.33 (relating to work, education and training).~~

~~—(c) At the end of the 92-day period, the eligibility agency will complete a full redetermination to establish the 12-month eligibility period and reset the redetermination due date.~~

THE DEPARTMENT'S FORM THAT PROVIDES FOR VERIFICATION BY
DOCUMENTARY EVIDENCE, THIRD PARTY STATEMENT OR SELF-CERTIFICATION
IS ACCEPTABLE VERIFICATION OF DOMESTIC VIOLENCE OR HOMELESSNESS.

§ 3042.144. ~~General waiver requirements.~~ GENERAL NOTIFICATION

REQUIREMENTS FOR WAIVERS.

~~—The eligibility agency may grant a waiver to a family experiencing domestic violence or homelessness upon the request of the parent or caretaker as specified in §§ 3042.145 and 3042.146 (relating to domestic and other violence; and homelessness).~~

(A) THE ELIGIBILITY AGENCY SHALL PROVIDE WRITTEN NOTICE TO THE PARENT OR CARETAKER REGARDING THE ELIGIBILITY AGENCY'S DETERMINATION TO GRANT OR DENY A WAIVER REQUEST. AT THE REQUEST OF THE PARENT OR CARETAKER, THE ELIGIBILITY AGENCY SHALL MAIL THE NOTICE TO AN ALTERNATE ADDRESS OR HAND-DELIVER IT TO THE PARENT OR CARETAKER.

(B) IF THE ELIGIBILITY AGENCY GRANTS THE WAIVER, THE NOTICE MUST INCLUDE THE BASIS FOR GRANTING THE WAIVER.

(C) IF THE ELIGIBILITY AGENCY DENIES THE WAIVER, THE NOTICE MUST INCLUDE THE FOLLOWING:

(1) THE BASIS FOR THE DENIAL.

(2) THE RIGHT TO APPEAL THE DECISION AND HOW TO APPEAL AS SPECIFIED IN §§ 3042.152 AND 3042.161 (RELATING TO NOTICE OF RIGHT TO APPEAL; AND APPEALABLE ACTIONS).

(3) THE VERIFICATION THE PARENT OR CARETAKER SHALL SUBMIT FOR THE ELIGIBILITY AGENCY TO GRANT THE WAIVER AND THE TIME FRAMES

IN WHICH THE PARENT OR CARETAKER SHALL SUBMIT THE VERIFICATION.

(4) THE EVIDENCE OR INFORMATION NEEDED TO SUBSTANTIATE THE WAIVER REQUEST AND THE TIME FRAMES IN WHICH THE PARENT OR CARETAKER SHALL PROVIDE THE INFORMATION.

§ 3042.145. ~~Time frame for waiver determinations~~ DOMESTIC AND OTHER VIOLENCE.

~~The eligibility agency shall act on a parent's or caretaker's waiver request no later than 15 calendar days following the date the parent or caretaker requests the waiver.~~

(A) THE ELIGIBILITY AGENCY MAY GRANT A WAIVER TO A PARENT OR CARETAKER FOR THE FOLLOWING REASONS:

(1) A FAMILY MEMBER IS THE VICTIM OF PAST OR PRESENT DOMESTIC OR OTHER VIOLENCE.

(2) A FAMILY MEMBER IS THE VICTIM OF A THREAT OF PAST OR PRESENT DOMESTIC OR OTHER VIOLENCE.

(B) EXCEPT AS OTHERWISE PROVIDED UNDER THIS CHAPTER, THE ELIGIBILITY AGENCY MAY GRANT A WAIVER IF COMPLIANCE WITH A REQUIREMENT OF THIS CHAPTER WOULD EITHER MAKE IT MORE DIFFICULT FOR A FAMILY OR HOUSEHOLD MEMBER TO ESCAPE DOMESTIC VIOLENCE OR PLACE A FAMILY OR HOUSEHOLD MEMBER AT RISK OF DOMESTIC VIOLENCE.

(C) THE FOLLOWING REQUIREMENTS OF THIS CHAPTER MAY NOT BE WAIVED:

(1) AGE OF THE CHILD AS SPECIFIED IN § 3042.11(B) AND (C) (RELATING TO PROVISION OF SUBSIDIZED CHILD CARE).

(2) INCOME LIMITS AS SPECIFIED IN § 3042.31 (RELATING TO FINANCIAL ELIGIBILITY).

(3) STATE RESIDENCY AS SPECIFIED IN § 3042.32 (RELATING TO RESIDENCE).

(4) THE MINIMUM NUMBER OF HOURS OF WORK, EDUCATION OR TRAINING AS SPECIFIED IN § 3042.33 (RELATING TO WORK, EDUCATION AND TRAINING).

(5) CITIZENSHIP AS SPECIFIED IN § 3042.36 (RELATING TO CITIZENSHIP).

(6) THE NUMBER OF PAID ABSENCES AS SPECIFIED IN § 3042.18 (RELATING TO ABSENCE).

(D) THE FOLLOWING MAY BE WAIVED FOR A TEMPORARY PERIOD NOT TO EXCEED 92 CALENDAR DAYS:

(1) VERIFICATION REQUIREMENTS AS SPECIFIED IN §§ 3042.61—3042.74.

(2) THE AMOUNT OF CO-PAYMENT AS SPECIFIED IN § 3042.98 (RELATING TO CO-PAYMENT DETERMINATION).

(E) EXCEPT AS SPECIFIED IN SUBSECTIONS (C) AND (D), THE ELIGIBILITY AGENCY WILL GRANT A DOMESTIC VIOLENCE WAIVER FOR THE BALANCE OF THE 12-MONTH ELIGIBILITY PERIOD FOLLOWING VERIFICATION BEING PROVIDED TO THE ELIGIBILITY AGENCY.

(F) THE ELIGIBILITY AGENCY SHALL UTILIZE AND ACCEPT THE DEPARTMENT'S FORM PROVIDING FOR VERIFICATION BY DOCUMENTARY EVIDENCE, THIRD PARTY STATEMENT OR SELF-CERTIFICATION AS ACCEPTABLE VERIFICATION OF DOMESTIC VIOLENCE.

(1) IF THE ELIGIBILITY AGENCY DOES NOT RECEIVE THE REQUIRED VERIFICATIONS BEFORE EXPIRATION OF THE 92-DAY PERIOD SPECIFIED IN SUBSECTION (D), OR IF THE FAMILY IS OTHERWISE DETERMINED TO BE INELIGIBLE, THE ELIGIBILITY AGENCY SHALL TAKE THE NECESSARY STEPS TO TERMINATE THE TEMPORARY ELIGIBILITY WITH PROPER NOTIFICATION TO THE FAMILY AS SPECIFIED IN § 3042.155 (RELATING TO NOTICE OF ADVERSE ACTION).

(2) IF A FAMILY IS DETERMINED INELIGIBLE OR FAILS TO PROVIDE THE REQUIRED VERIFICATIONS, ANY SERVICES RECEIVED DURING THE 92-DAY PERIOD ARE NOT CONSIDERED AN ERROR OR IMPROPER PAYMENT. THE ELIGIBILITY AGENCY WILL PAY ANY AMOUNT OWED TO A CHILD CARE PROVIDER FOR SERVICES PROVIDED.

§ 3042.146. ~~General verification requirements for waivers.~~ HOMELESSNESS.

~~—The Department's form that provides for verification by documentary evidence, third party statement or self certification is acceptable verification of domestic violence or homelessness.~~

(A) AT THE TIME OF APPLICATION, THE ELIGIBILITY AGENCY MAY GRANT A PERIOD OF PRESUMPTIVE ELIGIBILITY TO A PARENT OR CARETAKER WHO IS

EXPERIENCING HOMELESSNESS (RELATING TO DEFINITIONS) FOR A TEMPORARY PERIOD NOT TO EXCEED 92 CALENDAR DAYS.

(B) A PARENT OR CARETAKER WHO IS EXPERIENCING HOMELESSNESS MAY BE PERMITTED TO SUBSTITUTE JOB SEARCH ACTIVITIES TO MEET THE WORK REQUIREMENT SPECIFIED IN § 3042.33 (RELATING TO WORK, EDUCATION AND TRAINING) FOR THE DURATION OF THE PERIOD OF PRESUMPTIVE ELIGIBILITY FOR A TEMPORARY PERIOD NOT TO EXCEED 92 CALENDAR DAYS.

(C) A PARENT OR CARETAKER MAY BE PERMITTED TO SELF-CERTIFY THEIR STATUS AS EXPERIENCING HOMELESSNESS AS SPECIFIED IN 3042.63 (RELATING TO SELF-CERTIFICATION) TO QUALIFY FOR AND BE GRANTED A PERIOD OF PRESUMPTIVE ELIGIBILITY FOR A TEMPORARY PERIOD NOT TO EXCEED 92 CALENDAR DAYS.

(D) EXCEPT AS SPECIFIED IN SUBSECTIONS (E) AND (F), THE ELIGIBILITY AGENCY WILL GRANT A WAIVER TO FAMILIES WHO ARE EXPERIENCING HOMELESSNESS THE BALANCE OF THE 12-MONTH ELIGIBILITY PERIOD FOLLOWING VERIFICATION BEING PROVIDED TO THE ELIGIBILITY AGENCY.

(E) THE FOLLOWING REQUIREMENTS OF THIS CHAPTER MAY NOT BE WAIVED:

(1) AGE OF THE CHILD AS SPECIFIED IN § 3042.11(B) AND (C) (RELATING TO PROVISION OF SUBSIDIZED CHILD CARE).

(2) INCOME LIMITS AS SPECIFIED IN § 3042.31 (RELATING TO FINANCIAL ELIGIBILITY).

(3) STATE RESIDENCY AS SPECIFIED IN § 3042.32 (RELATING TO RESIDENCE).

(4) THE MINIMUM NUMBER OF HOURS OF WORK, EDUCATION OR TRAINING AS SPECIFIED IN § 3042.33 (RELATING TO WORK, EDUCATION AND TRAINING), SUBJECT TO THE PROVISIONS IN SUBSECTION (B).

(5) CITIZENSHIP AS SPECIFIED IN § 3042.36 (RELATING TO CITIZENSHIP).

(6) THE NUMBER OF PAID ABSENCES AS SPECIFIED IN § 3042.18 (RELATING TO ABSENCES).

(F) THE FOLLOWING REQUIREMENTS OF THIS CHAPTER MAY BE WAIVED FOR A TEMPORARY PERIOD NOT TO EXCEED 92 CALENDAR DAYS:

(1) VERIFICATION REQUIREMENTS AS SPECIFIED IN §§ 3042.61—3042.73.

(2) THE AMOUNT OF THE CO-PAYMENT AS SPECIFIED IN § 3042.98 (RELATING TO CO-PAYMENT DETERMINATION).

(G) THE ELIGIBILITY AGENCY SHALL UTILIZE AND ACCEPT THE DEPARTMENT'S FORM PROVIDING FOR VERIFICATION BY DOCUMENTARY EVIDENCE, THIRD PARTY STATEMENT OR SELF-CERTIFICATION AS ACCEPTABLE VERIFICATION OF HOMELESSNESS.

(1) IF THE ELIGIBILITY AGENCY DOES NOT RECEIVE THE REQUIRED VERIFICATIONS BEFORE EXPIRATION OF THE 92-DAY PERIOD SPECIFIED IN SUBSECTION (F), OR IF THE FAMILY IS DETERMINED INELIGIBLE, THE ELIGIBILITY AGENCY SHALL TAKE THE NECESSARY STEPS TO TERMINATE THE TEMPORARY ELIGIBILITY WITH PROPER NOTIFICATION TO THE FAMILY AS SPECIFIED IN § 3042.155 (RELATING TO NOTICE OF ADVERSE ACTION).

(2) IF A FAMILY IS DETERMINED INELIGIBLE AT ANY TIME DURING A TEMPORARY PERIOD OF PRESUMPTIVE ELIGIBILITY, ANY SERVICES RECEIVED DURING THE 92-DAY PERIOD ARE NOT CONSIDERED AN ERROR OR IMPROPER PAYMENT. THE ELIGIBILITY AGENCY WILL PAY ANY AMOUNT OWED TO A CHILD CARE PROVIDER FOR SERVICES PROVIDED DURING THE TEMPORARY PERIOD OF PRESUMPTIVE ELIGIBILITY.

(H) AT THE END OF A 92-DAY TEMPORARY PERIOD OF PRESUMPTIVE ELIGIBILITY, THE ELIGIBILITY AGENCY MAY ESTABLISH A NEW 12-MONTH ELIGIBILITY PERIOD AND RESET THE REDETERMINATION DUE DATE.

§ 3042.147. ~~General notification requirements for waivers.~~ PRESUMPTIVE CONTINUED ELIGIBILITY AT REDETERMINATION.

~~—(a) The eligibility agency shall provide written notice to the parent or caretaker regarding the eligibility agency's determination to grant or deny a waiver request. At the request of the parent or caretaker, the eligibility agency shall mail the notice to an alternate address or hand deliver it to the parent or caretaker.~~

~~—(b) If the eligibility agency grants the waiver, the notice must include the basis for granting the waiver.~~

~~—(c) If the eligibility agency denies the waiver, the notice must include the following:~~

~~(1) The basis for the denial.~~

~~(2) The right to appeal the decision and how to appeal as specified in §§ 3042.152 and 3042.161 (relating to notice of right to appeal, and appealable actions);~~

~~(3) The verification the parent or caretaker shall submit for the eligibility agency to grant the waiver and the time frames in which the parent or caretaker shall submit the verification.~~

~~(4) The evidence or information needed to substantiate the waiver request and the time frames in which the parent or caretaker shall provide the information.~~

(A) THE ELIGIBILITY AGENCY MAY GRANT A TEMPORARY PERIOD OF PRESUMPTIVE CONTINUED ELIGIBILITY TO A PARENT OR CARETAKER AT REDETERMINATION FOR A PERIOD NOT TO EXCEED 92 CALENDAR DAYS FROM THE DATE OF THE REDETERMINATION.

(B) FOR A PARENT OR CARETAKER TO BE GRANTED A PERIOD OF PRESUMPTIVE CONTINUED ELIGIBILITY AT REDETERMINATION, THE PARENT OR CARETAKER SHALL SUBMIT VERIFICATION OF WORK, EDUCATION OR TRAINING THAT SATISFIES THE WORK-HOUR REQUIREMENT AS SPECIFIED IN § 3042.33 (RELATING TO WORK, EDUCATION AND TRAINING) THAT IS SET TO BEGIN PRIOR TO THE EXPIRATION OF THE TEMPORARY 92-DAY PERIOD SPECIFIED IN SUBSECTION (A), UNLESS THE PROVISIONS IN § 3042.146 (RELATING TO HOMELESSNESS) APPLY.

(C) PRIOR TO THE EXPIRATION OF THE TEMPORARY 92-DAY PERIOD OF PRESUMPTIVE CONTINUED ELIGIBILITY, THE ELIGIBILITY AGENCY WILL VERIFY THE PARENT OR CARETAKER HAS BEGUN WORK, EDUCATION OR TRAINING AND IS IN COMPLIANCE WITH THE WORK-HOURS REQUIREMENT SPECIFIED IN § 3042.33 (RELATING TO WORK, EDUCATION AND TRAINING).

(D) IF THE PARENT OR CARETAKER HAS NOT BEGUN WORK, EDUCATION OR TRAINING AS SPECIFIED IN SUBSECTION (B), OR IS OTHERWISE DETERMINED INELIGIBLE PRIOR TO THE EXPIRATION OF THE 92-DAY PERIOD, THE ELIGIBILITY AGENCY SHALL TAKE THE NECESSARY STEPS TO TERMINATE THE TEMPORARY ELIGIBILITY WITH PROPER NOTIFICATION TO THE FAMILY AS SPECIFIED IN § 3042.155 (RELATING TO NOTICE OF ADVERSE ACTION).

(E) IF A FAMILY IS DETERMINED INELIGIBLE AT ANY TIME DURING A TEMPORARY PERIOD OF PRESUMPTIVE CONTINUED ELIGIBILITY, ANY SERVICES RECEIVED DURING THE 92-DAY PERIOD ARE NOT CONSIDERED AN ERROR OR IMPROPER PAYMENT. THE ELIGIBILITY AGENCY WILL PAY ANY AMOUNT OWED TO A CHILD CARE PROVIDER FOR SERVICES PROVIDED DURING THE TEMPORARY PERIOD OF PRESUMPTIVE CONTINUED ELIGIBILITY.

(F) AT THE END OF A 92-DAY TEMPORARY PERIOD OF PRESUMPTIVE CONTINUED ELIGIBILITY, THE ELIGIBILITY AGENCY WILL COMPLETE A REDETERMINATION TO ESTABLISH THE 12-MONTH ELIGIBILITY PERIOD AND RESET THE REDETERMINATION DUE DATE.

NOTIFICATION AND RIGHT TO APPEAL

§ 3042.151. General notification requirements.

(a) The eligibility agency shall ~~notify~~ **ISSUE WRITTEN NOTIFICATION TO** the parent or caretaker ~~in writing~~ no later than ~~10~~ **13** calendar days prior to taking an action that affects the family's eligibility status for subsidized child care or a change in the amount of the family's subsidized child care benefit.

(b) Following the preparation of a written notice, the eligibility agency shall:

- (1) Mail or hand-deliver, within 1 working day of preparation, the original and one copy of the notice to the parent or caretaker.
- (2) Notify the family's child care provider as soon as the family is determined eligible or ineligible for subsidized child care.
- (3) Retain a copy of the notice in the family file as specified in § 3042.84 (relating to family file).

§ 3042.152. Notice of right to appeal.

The following information must be included in the notice of the right to appeal:

- (1) The statement regarding the parent's or caretaker's right to appeal.
- (2) The time frame associated with filing a timely appeal as specified in §§ 3042.164(d) and 3042.166(b) (relating to parent or caretaker rights and responsibilities regarding appeal; and hearing procedures).
- (3) The time frame associated with subsidy continuation as specified in § 3042.163 (relating to subsidy continuation during the appeal process).
- (4) The consequence of filing an appeal untimely.
- (5) The responsibility to repay if subsidy continues and the parent or caretaker does not win the appeal.
- (6) Instructions regarding how to appeal.

§ 3042.153. Notice of eligibility.

- (a) The notice of eligibility must be on a form provided by the Department.

(b) If the eligibility agency determines a family eligible for subsidy upon initial application, at the time of redetermination or at a review of a reported change, the written notification must include the following:

- (1) The amount of the co-payment.
- (2) The parent's or caretaker's responsibility to pay the co-payment as specified in § 3042.91(e) (relating to general co-payment requirements).
- (3) The parent's or caretaker's responsibility to report changes as specified in § 3042.86 (relating to ~~processing reported changes~~ CHANGE REPORTING AND PROCESSING).
- (4) The name, address and telephone number of the local legal services office where the parent or caretaker may obtain free legal representation.
- (5) The right of the parent or caretaker to appeal the decision and how to appeal as specified in §§ 3042.152 and 3042.161 (relating to notice of right to appeal; and appealable actions).

§ 3042.154. Notice of ineligibility.

(a) The notice of ineligibility must be on a form provided by the Department.

(b) If the eligibility agency determines a family ineligible for subsidy, the written notification must include the following:

- (1) The decision.
- (2) The reason for the decision.
- (3) A citation, and brief explanation in simple, nontechnical language, of the applicable section of this chapter or other applicable law that was the basis for the decision.

(4) The name, address and telephone number of the local legal services office where the parent or caretaker may obtain free legal representation.

(5) The right of the parent or caretaker to appeal the decision and how to appeal as specified in §§ 3042.152 and 3042.161 (relating to notice of right to appeal; and appealable actions).

§ 3042.155. Notice of adverse action.

(a) The eligibility agency shall send a notice to a parent or caretaker currently receiving subsidy when the eligibility agency proposes to terminate subsidy payment.

(b) The eligibility agency shall prepare a notice of adverse action on a form provided by the Department.

(c) The notice of adverse action must include:

(1) The decision or proposed action.

(2) The date the action will occur.

(3) The reason for the decision or proposed action and information about how to become eligible.

(4) A citation, and brief explanation in simple, nontechnical language, of the applicable section of this chapter or other applicable law that is the basis for the decision or proposed action.

(5) The name, address and telephone number of the local legal services office where the parent or caretaker may obtain free legal representation.

(6) The right of the parent or caretaker to appeal the decision and how to appeal as specified in §§ 3042.152 and 3042.161 (relating to notice of right to appeal; and appealable actions).

§ 3042.156. Notice confirming voluntary withdrawal.

(a) The eligibility agency shall, by written notice to the parent or caretaker, confirm the parent's or caretaker's voluntary withdrawal of a child from subsidized child care.

(b) The notice confirming voluntary withdrawal must be on a form provided by the Department.

(c) The written notice confirming voluntary withdrawal must include the following:

(1) The decision.

(2) The reason for the decision.

(3) A citation, and brief explanation in simple, nontechnical language, of the applicable section of this chapter or other applicable law that was the basis for the decision.

(4) The name, address and telephone number of the local legal services office where the parent or caretaker may obtain free legal representation.

(5) The right of the parent or caretaker to appeal the decision and how to appeal as specified in §§ 3042.152 and 3042.161 (relating to notice of right to appeal; and appealable actions).

§ 3042.157. Notice confirming a change in benefits.

(a) The eligibility agency shall, by written notice to the parent or caretaker, confirm a change in the parent's or caretaker's subsidized child care benefits when the change does not affect the

family's eligibility. Changes in benefits include a change in the number of days or hours during which the child is enrolled, subsidy suspension and subsidy disruption.

(b) The notice confirming a change in benefits must be on a form provided by the Department.

(c) The written notice confirming a change in benefits must include the following:

(1) The decision.

(2) The reason for the decision.

(3) A citation, and brief explanation in simple, nontechnical language, of the applicable section of this chapter or other applicable law that was the basis for the decision.

(4) The name, address and telephone number of the local legal services office where the parent or caretaker may obtain free legal representation.

(5) The right of the parent or caretaker to appeal the decision and how to appeal as specified in §§ 3042.152 and 3042.161 (relating to notice of right to appeal; and appealable actions).

§ 3042.158. Notice confirming a change in co-payment.

(a) The eligibility agency shall, by written notice to the parent or caretaker, confirm a change in the family co-payment amount.

(b) The notice confirming a change in co-payment must be on a form provided by the Department.

(c) The written notice confirming a change in co-payment must include the following:

- (1) The decision.
- (2) The reason for the decision.
- (3) A citation, and brief explanation in simple, nontechnical language, of the applicable section of this chapter or other applicable law that was the basis for the decision.
- (4) The amount of the co-payment and the date the change in co-payment will become effective.
- (5) The name, address and telephone number of the local legal services office where the parent or caretaker may obtain free legal representation.
- (6) The right of the parent or caretaker to appeal the decision and how to appeal as specified in §§ 3042.152 and 3042.161 (relating to notice of right to appeal; and appealable actions).

§ 3042.159. Notice of overpayment.

- (a) The eligibility agency shall notify the parent or caretaker in writing of an overpayment.
- (b) The notice of overpayment must include the following:
 - (1) The reason for the overpayment as specified in § 3042.171 (relating to overpayment).
 - (2) The period of the overpayment.
 - (3) The amount of the overpayment.
 - (4) An explanation of how the overpayment was calculated.
 - (5) The repayment methods as specified in § 3042.176 (relating to collection), except in cases of suspected fraud.

(6) The name, address and telephone number of the local legal services office where the parent or caretaker may obtain free legal representation.

(7) The right of the parent or caretaker to appeal the decision on the overpayment and how to appeal as specified in §§ 3042.152 and 3042.161 (relating to notice of right to appeal; and appealable actions).

APPEAL AND HEARING PROCEDURES

§ 3042.161. Appealable actions.

A parent or caretaker has the right to appeal a Departmental or eligibility agency action or failure to act, including the following:

(1) Denial of subsidy, including a period of presumptive eligibility as specified in §§ 3042.~~142~~146 and 3042.~~143~~147 (relating to homelessness; and ~~leave periods~~ PRESUMPTIVE CONTINUED ELIGIBILITY at redetermination).

(2) Termination of subsidy.

(3) Computation of the co-payment.

(4) Denial of a request for waiver of a requirement of this chapter based on domestic violence or homelessness as specified in § 3042.~~141~~145 (relating to domestic and other violence) and § 3042.~~142~~146.

(5) Failure of the eligibility agency to act upon a request for subsidy within the time limits specified in this chapter.

(6) Subsidy suspension as specified in §§ 3042.18 and 3042.20 (relating to absence; and subsidy suspension).

(7) Subsidy disruption as specified in § 3042.21 (relating to subsidy disruption).

(8) SUBSIDY TERMINATION AS SPECIFIED IN § 3042.22 (RELATING TO SUBSIDY TERMINATION).

§ 3042.162. Discontinuation of subsidy during the appeal process.

(a) Subsidy is not continued pending a hearing decision if the parent or caretaker appeals the disruption of subsidy when the eligibility agency lacks funding to continue subsidy to a child as specified in § 3042.21 (relating to subsidy disruption).

(b) Subsidy is suspended pending a hearing decision if the parent or caretaker fails to make timely payment of the co-payment.

(c) FOLLOWING A SUSPENSION UNDER SUBSECTION (B), A SUBSIDY WILL BE REINSTATED PENDING THE HEARING DECISION IF ALL CO-PAYMENTS ARE BROUGHT UP TO DATE.

§ 3042.163. Subsidy continuation during the appeal process.

(a) Subsidy continues at the prior level until the Department hears the appeal and makes a final decision, if the parent or caretaker does the following:

(1) Files an appeal that is postmarked or ~~received~~ DELIVERED no later than 10 calendar days after the date of the written notice.

(2) Appeals for a reason other than disruption of subsidy or a lack of funding.

(b) If subsidy continues as specified in subsection (a), the parent or caretaker shall continue to make timely payment of the co-payment that was in effect prior to issuance of the written notice until the Department makes a final decision as specified in § 3042.91 (relating to general co-payment requirements).

(c) If subsidy continues during the appeal process and the hearing officer finds in favor of the eligibility agency or the Department, the parent or caretaker shall reimburse the Department for the amount of the subsidy or increase in subsidy paid for child care from the proposed effective date of the written notice until the date subsidy is terminated or decreased, based on the final administrative action order.

§ 3042.164. Parent or caretaker rights and responsibilities regarding appeal.

(a) A parent or caretaker appealing a written notice shall submit a written request to the eligibility agency in accordance with Chapter 275 (relating to appeal and fair hearing and administrative disqualification hearings) within 30 calendar days following notification. The parent or caretaker shall specify the reason for the appeal and the current address and a telephone number, if possible, where the parent or caretaker can be reached during the day.

(b) A parent or caretaker may orally appeal. The eligibility agency shall document the date of the oral appeal in the case file. The parent or caretaker shall confirm the oral appeal in writing to the eligibility agency no later than 7 calendar days following the date the parent or caretaker orally requested an appeal.

(c) A parent or caretaker may authorize an adult to represent the parent or caretaker at the hearing.

(d) If the parent or caretaker wants subsidy to continue pending a hearing decision, subject to § 3042.163 (relating to subsidy continuation during the appeal process), the parent or caretaker shall submit a written appeal no later than 10 calendar days following the date the written notice is postmarked or hand-delivered to the parent or caretaker by the eligibility agency.

(e) If the parent or caretaker requests that subsidy continue pending a hearing decision, the parent or caretaker shall make timely payment of the co-payment that was in effect prior to issuance of the written notice until the Department makes a final decision as specified in § 3042.91 (relating to general co-payment requirements).

§ 3042.165. Eligibility agency responsibilities regarding appeal.

(a) If the parent or caretaker is unable to prepare a written appeal, the eligibility agency shall assist the parent or caretaker in preparing a written appeal. The parent or caretaker shall sign the appeal request.

(b) When the eligibility agency receives an appeal that is timely postmarked or delivered, the eligibility agency shall date-stamp the appeal, the envelope and the attachments with the date of receipt and retain copies of all original appeal information.

(c) The eligibility agency shall keep a copy and forward the original appeal along with the postmarked envelope to the Department's Bureau of Hearings and Appeals no later than 3 working days following the date the appeal is received by the eligibility agency.

(d) The eligibility agency may not take the proposed adverse action until ~~40~~ 13 calendar days following the date the written notice is postmarked or hand-delivered to the parent or caretaker and then only if the parent or caretaker has not filed an appeal. Subsidy may be continued at the prior level only if the parent or caretaker meets the requirements in § 3042.163 (relating to subsidy continuation during the appeal process).

(e) The eligibility agency may take the proposed adverse action before ~~40~~ 13 calendar days following the date a provider closes for financial difficulties or loss of certification or if funding is not available to continue subsidized care to the child.

§ 3042.166. Hearing procedures.

(a) Chapter 275 (relating to appeal and fair hearing and administrative disqualification hearings) applies to hearings that are held under this chapter, except as specifically superseded by this chapter.

(b) The Department will dismiss an appeal postmarked or ~~received~~ DELIVERED after 30 calendar days from the date the written notice is postmarked or hand-delivered to the parent or caretaker unless one of the provisions allowing for appeals after 30 calendar days applies as specified in § 275.3(b)(2) and (3) (relating to requirements).

(c) The hearing may be conducted by a telephone conference call with the parties to the appeal, including the parent or caretaker, the authorized representative of the parent or caretaker, the eligibility agency, the Department and the hearing officer.

(d) The parent or caretaker has the right to request a face-to-face hearing instead of a telephone hearing. Face-to-face hearings will be held in locations specified by the Department.

(e) If a parent or caretaker does not withdraw an appeal, the eligibility agency, or the Department, if appropriate, will take part in the scheduled hearing to justify the action to which the parent or caretaker objects.

(f) If the eligibility agency or the Department fails to appear at the hearing and the parent or caretaker appears, the parent's or caretaker's appeal will be sustained.

(g) If the parent or caretaker fails to appear for the hearing, regardless of whether the eligibility agency or the Department appears, the appeal is considered abandoned and the decision of the eligibility agency or the Department will be sustained.

(h) The Department will notify the eligibility agency and the parent or caretaker, in writing, when disposition of the appeal is made.

(i) The eligibility agency shall implement the final administrative action within the time limit ordered by the Department or on the first day child care is needed in the week following receipt of the final administrative action order.

OVERPAYMENT AND DISQUALIFICATION

§ 3042.171. Overpayment.

The parent or caretaker may not be required to repay an overpayment except for an overpayment resulting from one of the following:

- (1) Fraud.
- (2) Failure to comply with this chapter.
- (3) Subsidy continuation pending an appeal when the parent or caretaker did not win the appeal.

§ 3042.172. Eligibility agency responsibilities regarding overpayment.

(a) The eligibility agency shall inform a parent or caretaker who files an appeal and requests subsidy continuation pending appeal that, if the hearing decision is in favor of the eligibility agency or the Department, the parent or caretaker shall reimburse the amount of the overpayment unless the hearing officer determines a hardship.

(b) The eligibility agency shall pursue possible overpayments in active and closed cases, including those that were voluntarily closed.

(c) The following are the responsibilities of the eligibility agency when exploring possible overpayments:

- (1) Determination of whether the overpayment is the result of one of the conditions specified in § 3042.171 (relating to overpayment).
- (2) Written assurance that the methods of exploring overpayments are appropriate to the particular situation and to the different eligibility factors.
- (3) Assurance that the methods of exploring overpayments do not infringe on the civil liberties of individuals or interfere with the due process of law.
- (4) Investigation of a credible complaint that a parent or caretaker is erroneously receiving subsidized child care.
- (5) Identification and documentation of the causes of the overpayment.
- (6) Computation of the amount of the overpayment.
- (7) Referral of suspected fraud cases to the Office of Inspector General.
- (8) Submission of an overpayment notice to the parent or caretaker as specified in § 3042.159 (relating to notice of overpayment).

(d) The eligibility agency shall refer all cases of suspected provider fraud to the Office of Inspector General.

§ 3042.173. Delaying recoupment.

(a) Recoupment shall be delayed until after a hearing decision, if the family files an appeal of the overpayment decision no later than 10 calendar days after the date the written notice is postmarked or hand-delivered to the parent or caretaker by the eligibility agency.

(b) Recoupment shall be delayed for cases referred to the Office of Inspector General for suspected fraud until the investigation is complete.

(c) The method of recoupment in cases of suspected fraud will be determined in conjunction with the Office of Inspector General.

§ 3042.174. Notifying the Department.

The eligibility agency shall notify the Department when recoupment stops before the overpayment is fully recouped.

§ 3042.175. Repayment.

The parent or caretaker shall repay the eligibility agency or Department the full amount of the overpayment.

§ 3042.176. Collection.

(a) The eligibility agency shall collect the total amount of the overpayment from a family whose child continues to receive subsidized child care when the eligibility agency identifies an overpayment as specified in § 3042.172 (relating to eligibility agency responsibilities regarding overpayment).

(b) If the Department, eligibility agency or other entity identifies an overpayment unrelated to fraud, subject to repayment as specified in § 3042.171 (relating to overpayment), related to a family whose child continues to receive subsidized child care, the eligibility agency shall:

(1) Notify the parent or caretaker by a letter that a repayment is required, the amount of the repayment and the following repayment options:

- (i) A one-time payment of the full amount owed.
- (ii) A one-time partial payment and an increase in the co-payment to be paid until repayment is complete.
- (iii) An increase in the co-payment until the repayment is complete.

(2) Automatically implement an increase to the co-payment until the repayment is complete when the parent or caretaker does not select an option as specified in paragraph

(1) no later than 10 calendar days following the date of the letter.

(3) Notify the parent or caretaker by a second letter of failure to choose a repayment option as specified in paragraph (1), the amount of the increased co-payment and the number of weeks the increased co-payment will continue.

(c) When the Office of Inspector General has determined fraud in an active case, the eligibility agency shall determine collection methods in conjunction with the Office of Inspector General.

§ 3042.177. Co-payment increase related to overpayment.

(a) A co-payment increase for the purpose of collecting an overpayment may not exceed an amount greater than 5% of the family's gross monthly income. If the parent or caretaker indicates to the eligibility agency that an increase to 5% would cause hardship to the family, the family and the eligibility agency may agree to a lesser amount.

(b) A parent or caretaker may choose to increase the co-payment beyond the amount specified in subsection (a) to repay an overpayment in a shorter period of time.

(c) The eligibility agency shall issue a written notice before implementation of an increase in the co-payment.

§ 3042.178. Collection for a family whose child is no longer in care.

(a) The eligibility agency shall collect the total amount of the overpayment as specified in § 3042.172 (relating to eligibility agency responsibilities regarding overpayment) from a family

whose child is no longer receiving subsidized child care if the eligibility agency identifies an overpayment.

(b) If the Department, eligibility agency or other entity identifies an overpayment unrelated to fraud, for a family whose child is no longer receiving subsidized child care, the eligibility agency shall:

(1) Notify the Department of the subsidy termination date, the amount of the overpayment recouped and the amount outstanding. The Department will notify the parent or caretaker by letter of the overpayment, the amount of the outstanding overpayment and that repayment is required in either a single payment or under a payment plan agreeable to the parent or caretaker and the eligibility agency. The letter must state that the parent or caretaker has 10 calendar days to respond to the Department indicating agreement or disagreement and indicating the choice of a repayment method.

(2) Send a second letter that repeats the information contained in the letter specified in paragraph (1) when the Department notifies the eligibility agency that the parent or caretaker failed to respond. The second letter must also request a response from the parent or caretaker no later than 10 calendar days following the date of the letter.

(c) When the Office of Inspector General has determined fraud in a case when the child is no longer in care, the eligibility agency shall determine the collection methods in conjunction with the Office of Inspector General.

(d) The Department may institute civil legal proceedings when the parent or caretaker fails to respond to the second letter.

§ 3042.179. Disqualification.

(a) The parent or caretaker is disqualified from participating in the subsidized child care program if one of the following applies:

- (1) A Federal or State court finds the parent or caretaker guilty of fraud in applying for or receiving subsidized child care.
- (2) A hearing officer determines that the parent or caretaker committed fraud pursuant to the procedures and standards in Chapter 275 (relating to appeal and fair hearing and administrative disqualification hearings).
- (3) The parent or caretaker signs a disqualification consent agreement as part of a court's deferred adjudication process.
- (4) The parent or caretaker agrees to be disqualified by signing an administrative disqualification hearing waiver.

(b) Upon disqualification under subsection (a), a parent or caretaker and eligible children in the parent's or caretaker's family is prohibited from participation in the subsidized child care program:

- (1) For 6 months from the date of the first conviction, hearing decision or determination.
- (2) For 12 months from the second conviction, hearing decision or determination.
- (3) Permanently from the date of the third conviction, hearing decision or determination.

(c) A parent or caretaker may not be granted a hearing on a court conviction or administrative disqualification hearing decision that led to the disqualification.

APPENDIX A

INCOME TO BE INCLUDED, DEDUCTED AND EXCLUDED IN DETERMINING GROSS MONTHLY INCOME

PART I. INCOME INCLUSIONS.

Income from the following sources is included when determining total gross monthly income:

A. Money, wages or salary earned by a parent or caretaker before deductions for taxes, Social Security, savings bonds, pensions, union dues, health insurance and similar purposes, for work performed as an employee. This includes commissions, tips, piece-rate payments and cash bonuses. Income earned by an unemancipated minor is not included.

B. Armed forces pay, which includes base pay plus cash, but does not include housing subsistence, allowances or the value of rent-free quarters.

C. Voluntary and court-ordered support received for any person in the family.

D. Net income from nonresident and real property, defined as gross receipts minus the expenses for continuing the income, such as depreciation charges, business taxes (not personal income taxes), interest on mortgages, repairs and similar expenses.

E. Social Security benefits, Supplemental Security Income, survivors' benefits and permanent disability insurance payments made by the Social Security Administration before deductions of health insurance premiums.

F. Railroad retirement, disability or survivors' benefit payments made by the United States Government under the Railroad Retirement Act of 1974 (45 U.S.C.A. §§ 231—231v) before deductions of health insurance premiums.

G. State blind pension payments made by the Department.

- H. Public assistance benefits or retirement benefits.
- I. Private pensions and annuities, including retirement benefits paid to a retired person or their survivors by a former employer or a union, either directly or through an insurance company.
- J. Government employee pensions paid by Federal, State, county or other governmental agencies to former employees, including members of the armed forces, or their survivors.
- K. Unemployment compensation received from government unemployment insurance agencies or private companies during periods of unemployment and strike benefits received from union funds.
- L. Workers' compensation received from private or public insurance companies.
- M. Veterans' payments, defined as money paid periodically by the Veterans Administration (VA) to disabled members of the armed forces or to the survivors or dependents of deceased or disabled veterans, subsistence allowances paid to the survivors of deceased veterans and subsistence allowances paid to veterans for education and on-the-job training, as well as so-called "refunds" paid to ex-service persons as GI insurance premiums. For a disabled veteran in the Vocational Rehabilitation Program, the subsistence allowance and the veteran's disability allowance are counted as income.
- N. Capital gains, profit from S-corporations and dividends, including dividends from stocks, bonds, mutual funds or from membership in an association.
- O. Interest on savings and bonds.
- P. Income from estates and trust funds.
- Q. Net income from royalties.

R. Lump sum cash of more than \$100; inheritances, life insurance benefits; personal injury and other damage awards and settlements; retroactive benefits such as retirement, survivor's or disability insurance and delayed unemployment; divorce settlements; gifts; or workers' compensation.

S. Lump-sum cash lottery winnings or cash prizes of more than \$100.

T. Profit from self-employment, calculated as total gross receipts minus costs of doing business. The costs of doing business shall only include:

(1) Costs of maintaining a place of business, such as rent, utilities, insurance on the business and its property, and property taxes. If a business is operated in a home, the costs of maintaining a place of business are only those costs identified for the part of the home used exclusively for the business.

(2) Interest on the purchase of income-producing equipment and property.

(3) Employee labor costs, such as wage, salaries, taxes, benefits, unemployment compensation or workers' compensation.

(4) Cost of goods sold, supplies and materials.

(5) Advertising costs.

(6) Accounting and legal fees.

(7) Transportation costs necessary to produce income.

U. Net income from room rent or room and board, calculated as follows: Gross income received minus \$10 per month for each room rented. Divide the remainder by 2. That number is the income inclusion.

CONVERSION TABLE

Convert weekly, biweekly, semi-monthly and other pay periods to gross monthly amounts using the following Conversion Table:

<i>Frequency of income</i>	<i>Conversion method</i>
Daily	Multiply the daily income by the number of workdays in a week, then multiply by 4.3.
Weekly	Multiply by 4.3.
Biweekly (every 2 weeks)	Divide by 2, then multiply by 4.3.
Semimonthly (twice per month)	Multiply by 2 for monthly gross income.
Monthly	Use the figure given.
Quarterly	Divide by 3.
Annually	Divide by 12.
Lump sum income	Divide by 12.

PART II. INCOME DEDUCTIONS.

The following are deducted when determining adjusted monthly income:

A. Voluntary or court-ordered support paid by the parent or caretaker or a family member to a present or former spouse not residing in the same household.

B. Voluntary or court-ordered child support paid by the parent or caretaker or family member to a person not residing in the same household.

C. A medical expense not reimbursed through medical insurance that exceeds 10% of the family gross monthly income. The medical expense must have been incurred within the 90-day period prior to the date the parent or caretaker notifies the eligibility agency of that expense and there must be an expectation that the expense will continue to be incurred for the 6 months

following the outset of the expense. Medical expenses are based on the monthly expenses or monthly payment plan, or both. Medical expenses include bills for doctors, hospital costs, dental services, health care premiums, institutional care, medications, prosthetic devices, durable medical equipment or mental health services.

D. The stepparent deduction as shown in the Stepparent Deduction Chart in Appendix C.

PART III. INCOME EXCLUSIONS.

Income from the following sources is excluded in determining gross monthly income:

A. Employment earnings of an individual who is an unemancipated minor.

B. Tax refunds, including earned income tax credits.

C. Withdrawals of bank, credit union or brokerage deposits.

D. Money borrowed.

E. Nonrecurring money in amounts under \$100 per person per year, given as a gift, from any source.

F. The value of benefits under the Food Stamp Act of 1977 (7 U.S.C.A. §§ 2011—2036c).

G. The value of foods donated from the United States Department of Agriculture.

H. The value of supplemental foods assistance under the Child Nutrition Act of 1966 (42 U.S.C.A. §§ 1771—1793) and the special food service programs for children under that act.

I. Loans and grants, such as scholarships, obtained and used for conditions that preclude their use for living costs.

J. Any grant or loan to an undergraduate student for educational purposes, made or insured under any program administered under the Higher Education Act of 1965 (20 U.S.C.A. §§ 1001—1161aa-1).

K. Any payment received under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C.A. §§ 4601—4655).

L. Any home produce used for household consumption.

M. Any payment made on behalf of an individual for household expenses, such as rent, food and utilities.

N. Payments to Volunteers in Service to America under the Domestic Volunteer Service Act of 1973 (42 U.S.C.A. §§ 4951—5085), which include AmeriCorps income.

O. Earnings received by any youth under the Workforce Investment Act of 1998, as amended (Pub.L. No. 105-220) or the Youth Build Program (Pub.L. No. 113-128) (29 U.S.C.A. § 3226).

P. Any foster care payments by a foster care placement agency, including payments to permanent legal custodians.

Q. Stipends derived from the Foster Grandparent Programs under section 211 of the Domestic Violence Service Act of 1973 (42 U.S.C.A. § 5011).

R. Low Income Home Energy Assistance Program (LIHEAP) benefits and cash in-kind energy assistance provided by private agencies and utility companies.

S. Any adoption assistance payments by a county children and youth agency.

T. Income received from Federal student aid or participation in a Federal work-study program.

U. Payments made by the Veterans Administration to children of Vietnam veterans under The Benefits for Children of Vietnam Veterans Act (38 U.S.C.A. §§ 1802—1834).

APPENDIX B

Co-Payment Chart

Family Co-Payment Scale Effective January 17, 2022

(Based on the 2022 Federal Poverty Income Guidelines)

<i>Weekly Co-pay</i>	<i>Family Size: 1 Annual Income</i>		<i>Weekly Co-pay</i>	<i>Family Size: 2 Annual Income</i>		<i>Weekly Co-pay</i>	<i>Family Size: 3 Annual Income</i>	
\$5	Less than:	\$7,567	\$5	Less than:	\$8,187	\$5	Less than:	\$7,741
\$6	\$7,567.01	\$8,324	\$6	\$8,187.41	\$9,211	\$6	\$7,741.01	\$9,031
\$7	\$8,323.71	\$9,080	\$7	\$9,210.84	\$10,234	\$7	\$9,031.01	\$10,321
\$8	\$9,080.41	\$9,837	\$8	\$10,234.26	\$11,258	\$8	\$10,321.01	\$11,611
\$9	\$9,837.11	\$10,594	\$9	\$11,257.69	\$12,281	\$9	\$11,611.01	\$12,902
\$9	\$10,593.81	\$11,351	\$10	\$12,281.11	\$13,305	\$10	\$12,902.01	\$14,192
\$10	\$11,350.51	\$12,107	\$12	\$13,304.54	\$14,328	\$12	\$14,192.01	\$15,482
\$11	\$12,107.21	\$12,864	\$13	\$14,327.96	\$15,351	\$13	\$15,482.01	\$16,772
\$12	\$12,863.91	\$13,621	\$14	\$15,351.39	\$16,375	\$15	\$16,772.01	\$18,062
\$13	\$13,620.61	\$14,377	\$15	\$16,374.81	\$17,398	\$16	\$18,062.01	\$19,352
\$14	\$14,377.31	\$15,134	\$17	\$17,398.24	\$18,422	\$18	\$19,352.01	\$20,642
\$15	\$15,134.01	\$15,891	\$18	\$18,421.66	\$19,445	\$19	\$20,642.01	\$21,933
\$16	\$15,890.71	\$16,647	\$19	\$19,445.09	\$20,469	\$21	\$21,933.01	\$23,223
\$17	\$16,647.41	\$17,404	\$21	\$20,468.51	\$21,492	\$23	\$23,223.01	\$24,513
\$19	\$17,404.11	\$18,161	\$22	\$21,491.94	\$22,515	\$24	\$24,513.01	\$25,803
\$20	\$18,160.81	\$18,918	\$24	\$22,515.36	\$23,539	\$26	\$25,803.01	\$27,093
\$21	\$18,917.51	\$19,674	\$25	\$23,538.79	\$24,562	\$28	\$27,093.01	\$28,383
\$22	\$19,674.21	\$20,431	\$27	\$24,562.21	\$25,586	\$30	\$28,383.01	\$29,673
\$23	\$20,430.91	\$21,188	\$28	\$25,585.64	\$26,609	\$32	\$29,673.01	\$30,964

\$24	\$21,187.61	\$21,944	\$30	\$26,609.06	\$27,632	\$34	\$30,964.01	\$32,254
\$26	\$21,944.31	\$22,701	\$31	\$27,632.49	\$28,656	\$36	\$32,254.01	\$33,544
\$27	\$22,701.01	\$23,458	\$33	\$28,655.91	\$29,679	\$38	\$33,544.01	\$34,834
\$28	\$23,457.71	\$24,214	\$35	\$29,679.34	\$30,703	\$40	\$34,834.01	\$36,124
\$30	\$24,214.41	\$24,971	\$36	\$30,702.76	\$31,726	\$42	\$36,124.01	\$37,414
\$31	\$24,971.11	\$25,728	\$38	\$31,726.19	\$32,750	\$44	\$37,414.01	\$38,705
\$32	\$25,727.81	\$26,485	\$40	\$32,749.61	\$33,773	\$46	\$38,705.01	\$39,995
\$34	\$26,484.51	\$27,241	\$42	\$33,773.04	\$34,796	\$48	\$39,995.01	\$41,285
\$35	\$27,241.21	\$27,998	\$44	\$34,796.46	\$35,820	\$51	\$41,285.01	\$42,575
\$37	\$27,997.91	\$28,755	\$46	\$35,819.89	\$36,843	\$53	\$42,575.01	\$43,865
\$38	\$28,754.61	\$29,511	\$48	\$36,843.31	\$37,867	\$55	\$43,865.01	\$45,155
\$40	\$29,511.31	\$30,268	\$50	\$37,866.74	\$38,890	\$58	\$45,155.01	\$46,445
	200% FPIG	\$25,760	\$52	\$38,890.16	\$39,914	\$60	\$46,445.01	\$47,736
			\$54	\$39,913.59	\$40,937	\$63	\$47,736.01	\$49,026
				200% FPIG	\$34,840	\$65	\$49,026.01	\$50,316
						\$68	\$50,316.01	\$51,606
							200% FPIG	\$43,920

Weekly Family Size: 4
Co-pay Annual Income

Weekly Family Size: 5
Co-pay Annual Income

Weekly Family Size: 6
Co-pay Annual Income

\$5	Less than:	\$9,341	\$5	Less than:	\$9,118	\$5	Less than:	\$8,361
\$7	\$9,341.01	\$10,898	\$6	\$9,118.01	\$10,942	\$6	\$8,361.01	\$10,452
\$8	\$10,898.01	\$12,455	\$8	\$10,942.01	\$12,765	\$7	\$10,452.01	\$12,542
\$9	\$12,455.01	\$14,012	\$9	\$12,765.01	\$14,589	\$9	\$12,542.01	\$14,632
\$11	\$14,012.01	\$15,569	\$11	\$14,589.01	\$16,412	\$11	\$14,632.01	\$16,723

\$13	\$15,569.01	\$17,126	\$13	\$16,412.01	\$18,236	\$13	\$16,723.01	\$18,813
\$14	\$17,126.01	\$18,683	\$15	\$18,236.01	\$20,060	\$15	\$18,813.01	\$20,903
\$16	\$18,683.01	\$20,239	\$17	\$20,060.01	\$21,883	\$17	\$20,903.01	\$22,994
\$18	\$20,239.01	\$21,796	\$19	\$21,883.01	\$23,707	\$19	\$22,994.01	\$25,084
\$19	\$21,796.01	\$23,353	\$21	\$23,707.01	\$25,530	\$21	\$25,084.01	\$27,174
\$21	\$23,353.01	\$24,910	\$23	\$25,530.01	\$27,354	\$24	\$27,174.01	\$29,265
\$23	\$24,910.01	\$26,467	\$25	\$27,354.01	\$29,178	\$26	\$29,265.01	\$31,355
\$25	\$26,467.01	\$28,024	\$27	\$29,178.01	\$31,001	\$29	\$31,355.01	\$33,445
\$27	\$28,024.01	\$29,581	\$30	\$31,001.01	\$32,825	\$31	\$33,445.01	\$35,536
\$29	\$29,581.01	\$31,138	\$32	\$32,825.01	\$34,648	\$34	\$35,536.01	\$37,626
\$32	\$31,138.01	\$32,694	\$35	\$34,648.01	\$36,472	\$37	\$37,626.01	\$39,716
\$34	\$32,694.01	\$34,251	\$37	\$36,472.01	\$38,296	\$40	\$39,716.01	\$41,807
\$36	\$34,251.01	\$35,808	\$40	\$38,296.01	\$40,119	\$42	\$41,807.01	\$43,897
\$38	\$35,808.01	\$37,365	\$42	\$40,119.01	\$41,943	\$45	\$43,897.01	\$45,987
\$41	\$37,365.01	\$38,922	\$45	\$41,943.01	\$43,766	\$48	\$45,987.01	\$48,077
\$43	\$38,922.01	\$40,479	\$47	\$43,766.01	\$45,590	\$51	\$48,077.01	\$50,168
\$45	\$40,479.01	\$42,036	\$50	\$45,590.01	\$47,414	\$54	\$50,168.01	\$52,258
\$48	\$42,036.01	\$43,593	\$53	\$47,414.01	\$49,237	\$58	\$52,258.01	\$54,348
\$50	\$43,593.01	\$45,149	\$56	\$49,237.01	\$51,061	\$61	\$54,348.01	\$56,439
\$53	\$45,149.01	\$46,706	\$59	\$51,061.01	\$52,884	\$64	\$56,439.01	\$58,529
\$56	\$46,706.01	\$48,263	\$62	\$52,884.01	\$54,708	\$68	\$58,529.01	\$60,619
\$58	\$48,263.01	\$49,820	\$65	\$54,708.01	\$56,532	\$71	\$60,619.01	\$62,710
\$61	\$49,820.01	\$51,377	\$68	\$56,532.01	\$58,355	\$75	\$62,710.01	\$64,800
\$64	\$51,377.01	\$52,934	\$71	\$58,355.01	\$60,179	\$78	\$64,800.01	\$66,890
\$67	\$52,934.01	\$54,491	\$75	\$60,179.01	\$62,002	\$82	\$66,890.01	\$68,981

\$70	\$54,491.01	\$56,048	\$78	\$62,002.01	\$63,826	\$86	\$68,981.01	\$71,071
\$73	\$56,048.01	\$57,604	\$81	\$63,826.01	\$65,650	\$89	\$71,071.01	\$73,161
\$76	\$57,604.01	\$59,161	\$85	\$65,650.01	\$67,473	\$93	\$73,161.01	\$75,252
\$79	\$59,161.01	\$60,718	\$88	\$67,473.01	\$69,297	\$97	\$75,252.01	\$77,342
\$82	\$60,718.01	\$62,275	\$92	\$69,297.01	\$71,120	\$101	\$77,342.01	\$79,432
	200% FPIG	\$53,000	\$96	\$71,120.01	\$72,944	\$106	\$79,432.01	\$81,523
				200% FPIG	\$62,080	\$110	\$81,523.01	\$83,613
							200% FPIG	\$71,160

Weekly Family Size: 7
Co-pay Annual Income

Weekly Family Size: 8
Co-pay Annual Income

Weekly Family Size: 9
Co-pay Annual Income

\$5	Less than:	\$9,428	\$5	Less than:	\$10,495	\$5	Less than:	\$8,672
\$6	\$9,428.01	\$11,785	\$7	\$10,495.01	\$13,119	\$6	\$8,672.01	\$11,562
\$8	\$11,785.01	\$14,142	\$9	\$13,119.01	\$15,743	\$8	\$11,562.01	\$14,453
\$10	\$14,142.01	\$16,499	\$11	\$15,743.01	\$18,366	\$10	\$14,453.01	\$17,343
\$12	\$16,499.01	\$18,856	\$14	\$18,366.01	\$20,990	\$12	\$17,343.01	\$20,234
\$14	\$18,856.01	\$21,213	\$16	\$20,990.01	\$23,614	\$15	\$20,234.01	\$23,124
\$17	\$21,213.01	\$23,571	\$18	\$23,614.01	\$26,238	\$18	\$23,124.01	\$26,015
\$19	\$23,571.01	\$25,928	\$21	\$26,238.01	\$28,862	\$20	\$26,015.01	\$28,905
\$21	\$25,928.01	\$28,285	\$24	\$28,862.01	\$31,485	\$23	\$28,905.01	\$31,796
\$24	\$28,285.01	\$30,642	\$27	\$31,485.01	\$34,109	\$26	\$31,796.01	\$34,686
\$27	\$30,642.01	\$32,999	\$30	\$34,109.01	\$36,733	\$29	\$34,686.01	\$37,577
\$29	\$32,999.01	\$35,356	\$33	\$36,733.01	\$39,357	\$33	\$37,577.01	\$40,467
\$32	\$35,356.01	\$37,713	\$36	\$39,357.01	\$41,980	\$36	\$40,467.01	\$43,358
\$35	\$37,713.01	\$40,070	\$39	\$41,980.01	\$44,604	\$40	\$43,358.01	\$46,248
\$39	\$40,070.01	\$42,427	\$43	\$44,604.01	\$47,228	\$43	\$46,248.01	\$49,139

\$42	\$42,427.01	\$44,784	\$46	\$47,228.01	\$49,852	\$47	\$49,139.01	\$52,029
\$45	\$44,784.01	\$47,141	\$50	\$49,852.01	\$52,476	\$51	\$52,029.01	\$54,920
\$48	\$47,141.01	\$49,498	\$53	\$52,476.01	\$55,099	\$55	\$54,920.01	\$57,810
\$51	\$49,498.01	\$51,855	\$57	\$55,099.01	\$57,723	\$59	\$57,810.01	\$60,701
\$54	\$51,855.01	\$54,212	\$61	\$57,723.01	\$60,347	\$63	\$60,701.01	\$63,591
\$58	\$54,212.01	\$56,569	\$64	\$60,347.01	\$62,971	\$67	\$63,591.01	\$66,482
\$61	\$56,569.01	\$58,926	\$68	\$62,971.01	\$65,594	\$71	\$66,482.01	\$69,372
\$65	\$58,926.01	\$61,283	\$72	\$65,594.01	\$68,218	\$75	\$69,372.01	\$72,263
\$69	\$61,283.01	\$63,640	\$76	\$68,218.01	\$70,842	\$80	\$72,263.01	\$75,153
\$72	\$63,640.01	\$65,997	\$81	\$70,842.01	\$73,466	\$84	\$75,153.01	\$78,044
\$76	\$65,997.01	\$68,354	\$85	\$73,466.01	\$76,089	\$89	\$78,044.01	\$80,934
\$80	\$68,354.01	\$70,712	\$89	\$76,089.01	\$78,713	\$93	\$80,934.01	\$83,825
\$84	\$70,712.01	\$73,069	\$94	\$78,713.01	\$81,337	\$98	\$83,825.01	\$86,715
\$88	\$73,069.01	\$75,426	\$98	\$81,337.01	\$83,961	\$103	\$86,715.01	\$89,606
\$92	\$75,426.01	\$77,783	\$103	\$83,961.01	\$86,585	\$108	\$89,606.01	\$92,496
\$97	\$77,783.01	\$80,140	\$107	\$86,585.01	\$89,208	\$113	\$92,496.01	\$95,387
\$101	\$80,140.01	\$82,497	\$112	\$89,208.01	\$91,832	\$118	\$95,387.01	\$98,277
\$105	\$82,497.01	\$84,854	\$117	\$91,832.01	\$94,456	\$124	\$98,277.01	\$101,168
\$110	\$84,854.01	\$87,211	\$122	\$94,456.01	\$97,080	\$129	\$101,168.01	\$104,058
\$114	\$87,211.01	\$89,568	\$127	\$97,080.01	\$99,703	\$135	\$104,058.01	\$106,949
\$119	\$89,568.01	\$91,925	\$132	\$99,703.01	\$102,327	\$140	\$106,949.01	\$109,839
\$124	\$91,925.01	\$94,282	\$138	\$102,327.01	\$104,951	\$146	\$109,839.01	\$112,730
	200% FPIG	\$80,240		200% FPIG	\$89,320	\$152	\$112,730.01	\$115,620
							200% FPIG	\$98,400

Weekly Family Size: 10
Co-pay Annual Income

Weekly Family Size: 11
Co-pay Annual Income

Weekly Family Size: 12
Co-pay Annual Income

\$5	Less than:	\$9,472	\$5	Less than:	\$10,272	\$5	Less than:	\$11,072
\$6	\$9,472.01	\$12,629	\$7	\$10,272.01	\$13,696	\$7	\$11,072.01	\$14,763
\$8	\$12,629.01	\$15,786	\$9	\$13,696.01	\$17,120	\$10	\$14,763.01	\$18,453
\$11	\$15,786.01	\$18,943	\$12	\$17,120.01	\$20,544	\$13	\$18,453.01	\$22,144
\$14	\$18,943.01	\$22,101	\$15	\$20,544.01	\$23,968	\$16	\$22,144.01	\$25,835
\$16	\$22,101.01	\$25,258	\$18	\$23,968.01	\$27,392	\$19	\$25,835.01	\$29,525
\$19	\$25,258.01	\$28,415	\$21	\$27,392.01	\$30,816	\$22	\$29,525.01	\$33,216
\$22	\$28,415.01	\$31,572	\$24	\$30,816.01	\$34,240	\$26	\$33,216.01	\$36,907
\$25	\$31,572.01	\$34,729	\$28	\$34,240.01	\$37,663	\$30	\$36,907.01	\$40,597
\$29	\$34,729.01	\$37,887	\$31	\$37,663.01	\$41,087	\$34	\$40,597.01	\$44,288
\$32	\$37,887.01	\$41,044	\$35	\$41,087.01	\$44,511	\$38	\$44,288.01	\$47,979
\$36	\$41,044.01	\$44,201	\$39	\$44,511.01	\$47,935	\$42	\$47,979.01	\$51,669
\$40	\$44,201.01	\$47,358	\$43	\$47,935.01	\$51,359	\$46	\$51,669.01	\$55,360
\$43	\$47,358.01	\$50,516	\$47	\$51,359.01	\$54,783	\$51	\$55,360.01	\$59,051
\$47	\$50,516.01	\$53,673	\$51	\$54,783.01	\$58,207	\$55	\$59,051.01	\$62,741
\$52	\$53,673.01	\$56,830	\$56	\$58,207.01	\$61,631	\$60	\$62,741.01	\$66,432
\$56	\$56,830.01	\$59,987	\$60	\$61,631.01	\$65,055	\$65	\$66,432.01	\$70,123
\$60	\$59,987.01	\$63,145	\$65	\$65,055.01	\$68,479	\$70	\$70,123.01	\$73,814
\$64	\$63,145.01	\$66,302	\$69	\$68,479.01	\$71,903	\$75	\$73,814.01	\$77,504
\$68	\$66,302.01	\$69,459	\$74	\$71,903.01	\$75,327	\$80	\$77,504.01	\$81,195
\$73	\$69,459.01	\$72,616	\$79	\$75,327.01	\$78,751	\$85	\$81,195.01	\$84,886
\$77	\$72,616.01	\$75,773	\$84	\$78,751.01	\$82,175	\$91	\$84,886.01	\$88,576
\$82	\$75,773.01	\$78,931	\$89	\$82,175.01	\$85,599	\$96	\$88,576.01	\$92,267

\$87	\$78,931.01	\$82,088	\$94	\$85,599.01	\$89,023	\$102	\$92,267.01	\$95,958
\$92	\$82,088.01	\$85,245	\$100	\$89,023.01	\$92,447	\$107	\$95,958.01	\$99,648
\$97	\$85,245.01	\$88,402	\$105	\$92,447.01	\$95,871	\$113	\$99,648.01	\$103,339
\$102	\$88,402.01	\$91,560	\$111	\$95,871.01	\$99,295	\$119	\$103,339.01	\$107,030
\$107	\$91,560.01	\$94,717	\$116	\$99,295.01	\$102,719	\$125	\$107,030.01	\$110,720
\$113	\$94,717.01	\$97,874	\$122	\$102,719.01	\$106,142	\$132	\$110,720.01	\$114,411
\$118	\$97,874.01	\$101,031	\$128	\$106,142.01	\$109,566	\$138	\$114,411.01	\$118,102
\$124	\$101,031.01	\$104,188	\$134	\$109,566.01	\$112,990	\$145	\$118,102.01	\$121,792
\$129	\$104,188.01	\$107,346	\$140	\$112,990.01	\$116,414	\$151	\$121,792.01	\$125,483
\$135	\$107,346.01	\$110,503	\$147	\$116,414.01	\$119,838	\$158	\$125,483.01	\$129,174
\$141	\$110,503.01	\$113,660	\$153	\$119,838.01	\$123,262	\$165	\$129,174.01	\$132,864
\$147	\$113,660.01	\$116,817	\$159	\$123,262.01	\$126,686	\$172	\$132,864.01	\$136,555
\$153	\$116,817.01	\$119,975	\$166	\$126,686.01	\$130,110	\$179	\$136,555.01	\$140,246
\$159	\$119,975.01	\$123,132	\$173	\$130,110.01	\$133,534	\$186	\$140,246.01	\$143,936
\$166	\$123,132.01	\$126,289	\$180	\$133,534.01	\$136,958	\$194	\$143,936.01	\$147,627
	200% FPIG	\$107,480		200% FPIG	\$116,560		200% FPIG	\$125,640

Weekly Family Size: 13
Co-pay Annual Income

Weekly Family Size: 14
Co-pay Annual Income

Weekly Family Size: 15
Co-pay Annual Income

\$5	Less than:	\$11,872	\$5	Less than:	\$12,672	\$5	Less than:	\$8,982
\$8	\$11,872.01	\$15,830	\$8	\$12,672.01	\$16,897	\$6	\$8,982.01	\$13,473
\$11	\$15,830.01	\$19,787	\$11	\$16,897.01	\$21,121	\$9	\$13,473.01	\$17,963
\$14	\$19,787.01	\$23,744	\$15	\$21,121.01	\$25,345	\$12	\$17,963.01	\$22,454
\$17	\$23,744.01	\$27,702	\$18	\$25,345.01	\$29,569	\$15	\$22,454.01	\$26,945
\$20	\$27,702.01	\$31,659	\$22	\$29,569.01	\$33,793	\$19	\$26,945.01	\$31,436
\$24	\$31,659.01	\$35,617	\$26	\$33,793.01	\$38,017	\$23	\$31,436.01	\$35,927

\$28	\$35,617.01	\$39,574	\$30	\$38,017.01	\$42,241	\$27	\$35,927.01	\$40,418
\$32	\$39,574.01	\$43,531	\$34	\$42,241.01	\$46,465	\$32	\$40,418.01	\$44,909
\$36	\$43,531.01	\$47,489	\$38	\$46,465.01	\$50,690	\$36	\$44,909.01	\$49,399
\$40	\$47,489.01	\$51,446	\$43	\$50,690.01	\$54,914	\$41	\$49,399.01	\$53,890
\$45	\$51,446.01	\$55,404	\$48	\$54,914.01	\$59,138	\$46	\$53,890.01	\$58,381
\$50	\$55,404.01	\$59,361	\$53	\$59,138.01	\$63,362	\$51	\$58,381.01	\$62,872
\$54	\$59,361.01	\$63,318	\$58	\$63,362.01	\$67,586	\$56	\$62,872.01	\$67,363
\$59	\$63,318.01	\$67,276	\$63	\$67,586.01	\$71,810	\$62	\$67,363.01	\$71,854
\$65	\$67,276.01	\$71,233	\$69	\$71,810.01	\$76,034	\$67	\$71,854.01	\$76,344
\$70	\$71,233.01	\$75,191	\$74	\$76,034.01	\$80,258	\$73	\$76,344.01	\$80,835
\$75	\$75,191.01	\$79,148	\$80	\$80,258.01	\$84,483	\$79	\$80,835.01	\$85,326
\$80	\$79,148.01	\$83,105	\$86	\$84,483.01	\$88,707	\$85	\$85,326.01	\$89,817
\$86	\$83,105.01	\$87,063	\$91	\$88,707.01	\$92,931	\$91	\$89,817.01	\$94,308
\$91	\$87,063.01	\$91,020	\$97	\$92,931.01	\$97,155	\$97	\$94,308.01	\$98,799
\$97	\$91,020.01	\$94,978	\$104	\$97,155.01	\$101,379	\$104	\$98,799.01	\$103,290
\$103	\$94,978.01	\$98,935	\$110	\$101,379.01	\$105,603	\$110	\$103,290.01	\$107,780
\$109	\$98,935.01	\$102,892	\$116	\$105,603.01	\$109,827	\$117	\$107,780.01	\$112,271
\$115	\$102,892.01	\$106,850	\$123	\$109,827.01	\$114,051	\$124	\$112,271.01	\$116,762
\$121	\$106,850.01	\$110,807	\$130	\$114,051.01	\$118,276	\$131	\$116,762.01	\$121,253
\$128	\$110,807.01	\$114,765	\$136	\$118,276.01	\$122,500	\$138	\$121,253.01	\$125,744
\$134	\$114,765.01	\$118,722	\$143	\$122,500.01	\$126,724	\$145	\$125,744.01	\$130,235
\$141	\$118,722.01	\$122,679	\$151	\$126,724.01	\$130,948	\$153	\$130,235.01	\$134,726
\$148	\$122,679.01	\$126,637	\$158	\$130,948.01	\$135,172	\$160	\$134,726.01	\$139,216
\$155	\$126,637.01	\$130,594	\$165	\$135,172.01	\$139,396	\$168	\$139,216.01	\$143,707
\$162	\$130,594.01	\$134,552	\$173	\$139,396.01	\$143,620	\$176	\$143,707.01	\$148,198

\$169	\$134,552.01	\$138,509	\$181	\$143,620.01	\$147,844	\$184	\$148,198.01	\$152,689
\$177	\$138,509.01	\$142,466	\$189	\$147,844.01	\$152,069	\$192	\$152,689.01	\$157,180
\$184	\$142,466.01	\$146,424	\$197	\$152,069.01	\$156,293	\$201	\$157,180.01	\$161,671
\$192	\$146,424.01	\$150,381	\$205	\$156,293.01	\$160,517	\$209	\$161,671.01	\$166,161
\$200	\$150,381.01	\$154,339	\$213	\$160,517.01	\$164,741	\$218	\$166,161.01	\$170,652
\$208	\$154,339.01	\$158,296	\$222	\$164,741.01	\$168,965	\$227	\$170,652.01	\$175,143
	200% FPIG \$134,720			200% FPIG \$143,800		\$236	\$175,143.01	\$179,634
							200% FPIG \$152,880	

Weekly Family Size: 16
Co-pay Annual Income

Weekly Family Size: 17
Co-pay Annual Income

Weekly Family Size: 18
Co-pay Annual Income

\$5	Less than:	\$9,515	\$5	Less than:	\$10,049	\$5	Less than:	\$10,582
\$6	\$9,515.01	\$14,273	\$6	\$10,049.01	\$15,073	\$7	\$10,582.01	\$15,873
\$9	\$14,273.01	\$19,030	\$10	\$15,073.01	\$20,097	\$10	\$15,873.01	\$21,164
\$13	\$19,030.01	\$23,788	\$13	\$20,097.01	\$25,122	\$14	\$21,164.01	\$26,455
\$16	\$23,788.01	\$28,545	\$17	\$25,122.01	\$30,146	\$18	\$26,455.01	\$31,746
\$20	\$28,545.01	\$33,303	\$21	\$30,146.01	\$35,170	\$23	\$31,746.01	\$37,037
\$24	\$33,303.01	\$38,061	\$26	\$35,170.01	\$40,194	\$27	\$37,037.01	\$42,328
\$29	\$38,061.01	\$42,818	\$30	\$40,194.01	\$45,219	\$32	\$42,328.01	\$47,619
\$33	\$42,818.01	\$47,576	\$35	\$45,219.01	\$50,243	\$37	\$47,619.01	\$52,910
\$38	\$47,576.01	\$52,333	\$40	\$50,243.01	\$55,267	\$42	\$52,910.01	\$58,201
\$43	\$52,333.01	\$57,091	\$46	\$55,267.01	\$60,292	\$48	\$58,201.01	\$63,492
\$48	\$57,091.01	\$61,848	\$51	\$60,292.01	\$65,316	\$54	\$63,492.01	\$68,783
\$54	\$61,848.01	\$66,606	\$57	\$65,316.01	\$70,340	\$60	\$68,783.01	\$74,074
\$60	\$66,606.01	\$71,364	\$63	\$70,340.01	\$75,365	\$66	\$74,074.01	\$79,365

\$65	\$71,364.01	\$76,121	\$69	\$75,365.01	\$80,389	\$73	\$79,365.01	\$84,656
\$71	\$76,121.01	\$80,879	\$75	\$80,389.01	\$85,413	\$79	\$84,656.01	\$89,947
\$78	\$80,879.01	\$85,636	\$82	\$85,413.01	\$90,437	\$86	\$89,947.01	\$95,238
\$84	\$85,636.01	\$90,394	\$89	\$90,437.01	\$95,462	\$93	\$95,238.01	\$100,529
\$90	\$90,394.01	\$95,152	\$95	\$95,462.01	\$100,486	\$100	\$100,529.01	\$105,821
\$96	\$95,152.01	\$99,909	\$102	\$100,486.01	\$105,510	\$107	\$105,821.01	\$111,112
\$103	\$99,909.01	\$104,667	\$109	\$105,510.01	\$110,535	\$115	\$111,112.01	\$116,403
\$110	\$104,667.01	\$109,424	\$116	\$110,535.01	\$115,559	\$122	\$116,403.01	\$121,694
\$117	\$109,424.01	\$114,182	\$123	\$115,559.01	\$120,583	\$130	\$121,694.01	\$126,985
\$124	\$114,182.01	\$118,939	\$131	\$120,583.01	\$125,608	\$138	\$126,985.01	\$132,276
\$131	\$118,939.01	\$123,697	\$138	\$125,608.01	\$130,632	\$146	\$132,276.01	\$137,567
\$138	\$123,697.01	\$128,455	\$146	\$130,632.01	\$135,656	\$154	\$137,567.01	\$142,858
\$146	\$128,455.01	\$133,212	\$154	\$135,656.01	\$140,680	\$162	\$142,858.01	\$148,149
\$154	\$133,212.01	\$137,970	\$162	\$140,680.01	\$145,705	\$171	\$148,149.01	\$153,440
\$162	\$137,970.01	\$142,727	\$171	\$145,705.01	\$150,729	\$180	\$153,440.01	\$158,731
\$170	\$142,727.01	\$147,485	\$179	\$150,729.01	\$155,753	\$189	\$158,731.01	\$164,022
\$178	\$147,485.01	\$152,242	\$188	\$155,753.01	\$160,778	\$198	\$164,022.01	\$169,313
\$186	\$152,242.01	\$157,000	\$197	\$160,778.01	\$165,802	\$207	\$169,313.01	\$174,604
\$195	\$157,000.01	\$161,758	\$206	\$165,802.01	\$170,826	\$217	\$174,604.01	\$179,895
\$204	\$161,758.01	\$166,515	\$215	\$170,826.01	\$175,851	\$226	\$179,895.01	\$185,186
\$213	\$166,515.01	\$171,273	\$224	\$175,851.01	\$180,875	\$236	\$185,186.01	\$190,477
\$222	\$171,273.01	\$176,030	\$234	\$180,875.01	\$185,899	\$246	\$190,477.01	\$195,768
\$231	\$176,030.01	\$180,788	\$244	\$185,899.01	\$190,923	\$257	\$195,768.01	\$201,059
\$240	\$180,788.01	\$185,545	\$254	\$190,923.01	\$195,948	\$267	\$201,059.01	\$206,350
\$250	\$185,545.01	\$190,303	\$264	\$195,948.01	\$200,972	\$278	\$206,350.01	\$211,641

200% FPIG \$161,960

200% FPIG \$171,040

200% FPIG \$180,120

Weekly Family Size: 19
Co-pay Annual Income

Weekly Family Size: 20
Co-pay Annual Income

Weekly Family Size: 21
Co-pay Annual Income

\$5	Less than:	\$11,116	\$5	Less than:	\$11,649	\$5	Less than:	\$12,182
\$7	\$11,116.01	\$16,673	\$7	\$11,649.01	\$17,473	\$8	\$12,182.01	\$18,274
\$11	\$16,673.01	\$22,231	\$11	\$17,473.01	\$23,298	\$12	\$18,274.01	\$24,365
\$15	\$22,231.01	\$27,789	\$16	\$23,298.01	\$29,122	\$16	\$24,365.01	\$30,456
\$19	\$27,789.01	\$33,347	\$20	\$29,122.01	\$34,947	\$21	\$30,456.01	\$36,547
\$24	\$33,347.01	\$38,904	\$25	\$34,947.01	\$40,771	\$26	\$36,547.01	\$42,638
\$29	\$38,904.01	\$44,462	\$30	\$40,771.01	\$46,596	\$31	\$42,638.01	\$48,730
\$34	\$44,462.01	\$50,020	\$35	\$46,596.01	\$52,420	\$37	\$48,730.01	\$54,821
\$39	\$50,020.01	\$55,578	\$41	\$52,420.01	\$58,245	\$43	\$54,821.01	\$60,912
\$45	\$55,578.01	\$61,135	\$47	\$58,245.01	\$64,069	\$49	\$60,912.01	\$67,003
\$50	\$61,135.01	\$66,693	\$53	\$64,069.01	\$69,894	\$55	\$67,003.01	\$73,094
\$57	\$66,693.01	\$72,251	\$59	\$69,894.01	\$75,718	\$62	\$73,094.01	\$79,186
\$63	\$72,251.01	\$77,809	\$66	\$75,718.01	\$81,543	\$69	\$79,186.01	\$85,277
\$70	\$77,809.01	\$83,366	\$73	\$81,543.01	\$87,367	\$76	\$85,277.01	\$91,368
\$76	\$83,366.01	\$88,924	\$80	\$87,367.01	\$93,192	\$84	\$91,368.01	\$97,459
\$83	\$88,924.01	\$94,482	\$87	\$93,192.01	\$99,016	\$92	\$97,459.01	\$103,550
\$91	\$94,482.01	\$100,040	\$95	\$99,016.01	\$104,841	\$100	\$103,550.01	\$109,642
\$98	\$100,040.01	\$105,597	\$103	\$104,841.01	\$110,665	\$107	\$109,642.01	\$115,733
\$105	\$105,597.01	\$111,155	\$110	\$110,665.01	\$116,490	\$115	\$115,733.01	\$121,824
\$113	\$111,155.01	\$116,713	\$118	\$116,490.01	\$122,314	\$124	\$121,824.01	\$127,915
\$120	\$116,713.01	\$122,271	\$126	\$122,314.01	\$128,138	\$132	\$127,915.01	\$134,006
\$128	\$122,271.01	\$127,828	\$134	\$128,138.01	\$133,963	\$141	\$134,006.01	\$140,098

\$136	\$127,828.01	\$133,386	\$143	\$133,963.01	\$139,787	\$149	\$140,098.01	\$146,189
\$145	\$133,386.01	\$138,944	\$152	\$139,787.01	\$145,612	\$158	\$146,189.01	\$152,280
\$153	\$138,944.01	\$144,502	\$160	\$145,612.01	\$151,436	\$168	\$152,280.01	\$158,371
\$162	\$144,502.01	\$150,059	\$169	\$151,436.01	\$157,261	\$177	\$158,371.01	\$164,462
\$171	\$150,059.01	\$155,617	\$179	\$157,261.01	\$163,085	\$187	\$164,462.01	\$170,554
\$180	\$155,617.01	\$161,175	\$188	\$163,085.01	\$168,910	\$197	\$170,554.01	\$176,645
\$189	\$161,175.01	\$166,733	\$198	\$168,910.01	\$174,734	\$207	\$176,645.01	\$182,736
\$198	\$166,733.01	\$172,290	\$208	\$174,734.01	\$180,559	\$217	\$182,736.01	\$188,827
\$208	\$172,290.01	\$177,848	\$218	\$180,559.01	\$186,383	\$228	\$188,827.01	\$194,918
\$218	\$177,848.01	\$183,406	\$228	\$186,383.01	\$192,208	\$239	\$194,918.01	\$201,010
\$228	\$183,406.01	\$188,964	\$239	\$192,208.01	\$198,032	\$250	\$201,010.01	\$207,101
\$238	\$188,964.01	\$194,521	\$249	\$198,032.01	\$203,857	\$261	\$207,101.01	\$213,192
\$248	\$194,521.01	\$200,079	\$260	\$203,857.01	\$209,681	\$272	\$213,192.01	\$219,283
\$259	\$200,079.01	\$205,637	\$271	\$209,681.01	\$215,506	\$284	\$219,283.01	\$225,374
\$270	\$205,637.01	\$211,195	\$283	\$215,506.01	\$221,330	\$296	\$225,374.01	\$231,466
\$281	\$211,195.01	\$216,752	\$294	\$221,330.01	\$227,155	\$308	\$231,466.01	\$237,557
\$292	\$216,752.01	\$222,310	\$306	\$227,155.01	\$232,979	\$320	\$237,557.01	\$243,648
	200% FPIG	\$189,200		200% FPIG	\$198,280		200% FPIG	\$207,360

APPENDIX C

STEPPARENT DEDUCTION CHART

<i>County of residence</i>	<i>Family composition/size</i>						<i>Each additional person</i>
	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>		
Adams, Allegheny, Berks, Blair, Bradford, Butler, Centre, Columbia, Crawford, Cumberland, Dauphin, Delaware, Erie, Lackawanna, Lebanon, Lehigh, Luzerne, Lycoming, Monroe, Montour, Northampton, Philadelphia, Sullivan, Susquehanna, Union, Warren, Wayne, Westmoreland, Wyoming and York	\$461	\$587	\$724	\$859	\$976		\$121
Armstrong, Bedford, Cambria, Clarion, Clearfield, Fayette, Forest, Fulton, Greene, Huntingdon, Jefferson, Juniata, Northumberland, Schuylkill and Somerset	\$406	\$532	\$662	\$791	\$894		\$121
Beaver, Cameron, Carbon, Clinton, Elk, Franklin, Indiana, Lawrence, McKean, Mercer, Mifflin, Perry, Potter, Snyder, Tioga, Venango and Washington	\$444	\$573	\$698	\$829	\$943		\$121
Bucks, Chester, Lancaster, Montgomery and Pike	\$481	\$614	\$749	\$885	\$1,001		\$121



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF HUMAN SERVICES

March 23, 2023

Mr. David Sumner, Executive Director
Independent Regulatory Review Commission
333 Market Street, 14th Floor
Harrisburg, Pennsylvania 17101

Dear Executive Director Sumner:

Enclosed is a final-form regulation that updates the Department's requirements for subsidized child care eligibility. This regulation was published as proposed rulemaking at 50 Pa. B. 6361 (November 14, 2020).

The final-form rulemaking is needed to assure Pennsylvania's compliance with the Federal Child Care and Development Block Grant (CCDBG). The CCDBG, along with Section 418 of the Social Security Act (42 U.S.C.A. § 618), authorizes the Child Care and Development Fund (CCDF). The CCDF is the primary Federal funding source devoted to assisting low-income families that are working or participating in education or training activities with paying for child care and improving the quality of child care for all children. Subsidized child care is a benefit made available through limited Federal and State funds. These final-form regulations provide the eligibility criteria a parent or caretaker must satisfy in order to obtain and maintain assistance with child care costs through the subsidized child care program. These final-form regulations also set forth the procedures the eligibility agency shall follow in administering the subsidized child care program. Specifically, the final-form rulemaking is needed to satisfy the updated CCDBG requirements, which include minimum 12-month eligibility periods, continuous eligibility irrespective of increases in earnings (within the Federal eligibility limit of 85% of the State Median Income (SMI)), and temporary changes in work, education or training during the 12-month eligibility period.

Additional changes consistent with CCDBG requirements also include establishing periods of presumptive eligibility at redetermination for a parent or caretaker who will be starting their job within 92 days of the redetermination date; prohibiting payment for enrollments of children receiving subsidized child care when the Department revokes or refuses to renew the provider's certificate of compliance; allowing a parent or caretaker receiving subsidized child care services the same option as private-pay parents or caretakers to elect to hold their child back from attending kindergarten for one additional year; and increasing the total number of paid absences per year.

OFFICE OF THE SECRETARY

This final-form regulation, which removes the *Pennsylvania Code*, Title 55, Chapter 3041 (relating to subsidized child care eligibility) and replaces it with Title 55, Chapter 3042 (relating to subsidized child care eligibility) is submitted for review pursuant to the Regulatory Review Act.

The Department of Human Services will provide the Commission with any assistance required to facilitate a thorough review of this proposal.

Sincerely,



Valerie A. Arkoosh, MD, MPH
Acting Secretary of Human Services

Enclosure

OFFICE OF THE SECRETARY

P.O. BOX 2675, HARRISBURG, PA 17105 | 717.787.2600/3600 FAX:717.772.2062 | www.dhs.pa.gov

Madison Brame

From: agingrich
Sent: Thursday, March 23, 2023 9:47 AM
To: Dietrich, Dawn; Bradbury, Joan
Cc: Whare, Jennifer (GC); Jenkins, Dale
Subject: RE: Reg. No. 14-545 Subsidized Child Care Eligibility (Final Rulemaking)

Dawn,

Email has been received and the Reg has been transmitted to Senator Brooks.

On behalf of Joan and the senator, thank you.

Adam Gingrich
Chief-of-Staff
Senator Michele Brooks
50th Senatorial District
(717) 787-1322

RECEIVED

MAR 23 2023

**Independent Regulatory
Review Commission**

From: Dietrich, Dawn <dadietrich@pa.gov>
Sent: Thursday, March 23, 2023 9:42 AM
To: Bradbury, Joan <jbradbury@pasen.gov>
Cc: Whare, Jennifer (GC) <jwhare@pa.gov>; Jenkins, Dale <daljenkins@pa.gov>; Gingrich, Adam <agingrich@pasen.gov>
Subject: Reg. No. 14-545 Subsidized Child Care Eligibility (Final Rulemaking)
Importance: High

Ⓞ CAUTION : External Email Ⓞ

Good morning.

DHS is submitting Reg. No. 14-545, OCDEL Subsidized Child Care Eligibility (Final Rulemaking) to the Senate Health and Human Services Committee and the House Children and Youth Committee.

Please provide written (email) confirmation that this rulemaking was received by the Committee chair's office.

Thank you,

Dawn

Dawn Dietrich | Legal Office Administrator 3
Department of Human Services | Governor's Office of General Counsel
625 Forster Street, 3rd Floor West | Harrisburg, PA 17120
Phone: 717.787.6398 | Fax: 717.772.0717
www.dhs.pa.gov

Madison Brame

From: Freeman, Clarissa
Sent: Thursday, March 23, 2023 9:47 AM
To: Dietrich, Dawn
Cc: Whare, Jennifer (GC); Jenkins, Dale
Subject: RE: Reg. No. 14-545 OCDEL Subsidized Child Care Eligibility (Final Rulemaking)

Received.

Thank you,

Clarissa L Freeman, Esq. (She/Her)
Health and Human Services Committee
Senate of Pennsylvania
Office of Senator Art Haywood

10 East Wing, Main Capitol Building
Harrisburg, Pennsylvania 17120-3004
717-787-1427 (P)
717-772-0572 (F)

7106 Germantown Avenue
Philadelphia, Pennsylvania 19119-1837
215-242-8171 (P)
215-242-6118 (F)

1168 Easton Road
Abington, PA 19001
215-517-1434 (P)
215-517-1439 (F)



Our Philadelphia and Abington offices are open Monday through Friday, from 9:00am - 4:45pm. Notary services are only available in our Philadelphia office. Appointments are required. Please call us at 215-242-8171 or 215-517-1434 for assistance, or visit our [Self-Service](#) page.

You can also reach our team online Tuesday – Thursday, from 10:00am – 12:00pm & 2:00pm - 4:00pm via our **Live Chat tool** (real time text communications via computer or mobile phone with a District Representative) at www.senatorhaywood.com.



RECEIVED

MAR 23 2023

**Independent Regulatory
Review Commission**

From: Dietrich, Dawn <dadietrich@pa.gov>
Sent: Thursday, March 23, 2023 9:44 AM
To: Freeman, Clarissa <Clarissa.Freeman@pasenate.com>
Cc: Whare, Jennifer (GC) <jwhare@pa.gov>; Jenkins, Dale <daljenkins@pa.gov>
Subject: Reg. No. 14-545 OCDEL Subsidized Child Care Eligibility (Final Rulemaking)
Importance: High

■ EXTERNAL EMAIL ■

Good morning.

DHS is submitting Reg. No. 14-545, OCDEL Subsidized Child Care Eligibility (Final Rulemaking) to the Senate Health and Human Services Committee and the House Children and Youth Committee.

Please provide written (email) confirmation that this rulemaking was received by the Committee chair's office.

Thank you,

Dawn

Dawn Dietrich | Legal Office Administrator 3
Department of Human Services | Governor's Office of General Counsel
625 Forster Street, 3rd Floor West | Harrisburg, PA 17120
Phone: 717.787.6398 | Fax: 717.772.0717
www.dhs.pa.gov

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Madison Brame

From: Wagonseller, Kyle
Sent: Thursday, March 23, 2023 2:41 PM
To: Sander, Jessica J.; Dietrich, Dawn
Cc: Whare, Jennifer (GC); Jenkins, Dale; Kranz, Hannah
Subject: RE: EXTREMELY URGENT!!!! RE: Reg. No. 14-545, OCDEL Subsidized Child Care Eligibility (Final Rulemaking)

We have received the regulations. Sorry for the delay, it's been a busy day.

Kyle Wagonseller | Executive Director
House Transportation Committee
Majority Chairman Ed Neilson (D)
127 Irvis Office Building, Harrisburg, PA 17120
Office: 717-772-1786 | Cell: 717-982-1114
E-mail: kwagonse@pahouse.net

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MAR 23 2023

**Independent Regulatory
Review Commission**

From: Sander, Jessica J. <JSander@pahouse.net>
Sent: Thursday, March 23, 2023 2:40 PM
To: Dietrich, Dawn <dadietrich@pa.gov>; Wagonseller, Kyle <KWagonse@pahouse.net>
Cc: Whare, Jennifer (GC) <jwhare@pa.gov>; Jenkins, Dale <daljenkins@pa.gov>; Kranz, Hannah <hkranz@pa.gov>
Subject: RE: EXTREMELY URGENT!!!! RE: Reg. No. 14-545, OCDEL Subsidized Child Care Eligibility (Final Rulemaking)

My apologies – we have received the regulations.

Thank you!

Jessica Sander | Research Analyst II
House Children & Youth Committee, Majority Chair Donna Bullock (D)

From: Dietrich, Dawn <dadietrich@pa.gov>
Sent: Thursday, March 23, 2023 2:21 PM
To: Wagonseller, Kyle <KWagonse@pahouse.net>
Cc: Whare, Jennifer (GC) <jwhare@pa.gov>; Jenkins, Dale <daljenkins@pa.gov>; Sander, Jessica J. <JSander@pahouse.net>; Kranz, Hannah <hkranz@pa.gov>
Subject: EXTREMELY URGENT!!!! RE: Reg. No. 14-545, OCDEL Subsidized Child Care Eligibility (Final Rulemaking)
Importance: High

Good afternoon.

We are in immediate need of either a read receipt or confirmation from Kyle Wagonseller that this regulation has been received by Rep. Bullock's office; or an affirmative email from Jessica Sander stating acceptance on Rep. Bullock's behalf.

Thank you,

Dawn

From: Dietrich, Dawn

Sent: Thursday, March 23, 2023 9:46 AM

To: kwagonse@pahouse.net

Cc: Whare, Jennifer (GC) <jwhare@pa.gov>; Jenkins, Dale <daljenkins@pa.gov>; jsander@pahouse.net

Subject: Reg. No. 14-545, OCDEL Subsidized Child Care Eligibility (Final Rulemaking)

Importance: High

Good morning.

DHS is submitting Reg. No. 14-545, OCDEL Subsidized Child Care Eligibility (Final Rulemaking) to the Senate Health and Human Services Committee and the House Children and Youth Committee.

Please provide written (email) confirmation that this rulemaking was received by the Committee chair's office.

Thank you,

Dawn

Dawn Dietrich | Legal Office Administrator 3

Department of Human Services | Governor's Office of General Counsel

625 Forster Street, 3rd Floor West | Harrisburg, PA 17120

Phone: 717.787.6398 | Fax: 717.772.0717

www.dhs.pa.gov

Madison Brame

From: Michelle Moore
Sent: Thursday, March 23, 2023 12:00 PM
To: Annmarie Robey
Cc: Dietrich, Dawn; Whare, Jennifer (GC); Jenkins, Dale
Subject: RE: Reg. No. 14-545, OCDEL Subsidized Child Care Eligibility (Final Rulemaking)

These have been received by me for Chairman Jozwiak.
Thank you.

Michelle Moore

Administrative Assistant II
State Representative Barry Jozwiak, Chairman
House Children and Youth Committee
5th Legislative District
314C Main Capitol Building
Harrisburg, PA 17120-2005
Phone: (717) 772-9940

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MAR 23 2023

**Independent Regulatory
Review Commission**

From: Annmarie Robey <Arobey@pahousegop.com>
Sent: Thursday, March 23, 2023 11:50 AM
To: Michelle Moore <Mmoore@pahousegop.com>
Cc: dadietrich@pa.gov; jwhare@pa.gov; daljenkins@pa.gov
Subject: FW: Reg. No. 14-545, OCDEL Subsidized Child Care Eligibility (Final Rulemaking)
Importance: High

Michelle, please see attached the child care regulations from the PA Department of Human Services.
Can you acknowledge receipt of the regulations for their records? Thank you. Annmarie

From: Dietrich, Dawn <dadietrich@pa.gov>
Sent: Thursday, March 23, 2023 11:44 AM
To: Annmarie Robey <Arobey@pahousegop.com>
Cc: Whare, Jennifer (GC) <jwhare@pa.gov>; Jenkins, Dale <daljenkins@pa.gov>
Subject: Reg. No. 14-545, OCDEL Subsidized Child Care Eligibility (Final Rulemaking)
Importance: High

Good morning.

DHS is submitting Reg. No. 14-545, OCDEL Subsidized Child Care Eligibility (Final Rulemaking) to the Senate Health and Human Services Committee and the House Children and Youth Committee.

Please provide written (email) confirmation that this rulemaking was received by the Committee chair's office.

Thank you,

Dawn

Dawn Dietrich | Legal Office Administrator 3
Department of Human Services | Governor's Office of General Counsel
625 Forster Street, 3rd Floor West | Harrisburg, PA 17120
Phone: 717.787.6398 | Fax: 717.772.0717
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