No. 1982-75

AN ACT

HB 720

Amending the act of June 13, 1967 (P.L.31, No.21), entitled "An act to consolidate, editorially revise, and codify the public welfare laws of the Commonwealth," further providing for the expedited implementation of regulations governing Federally subsidized programs; expanding the investigative powers of the department; changing and restricting the qualifications for recipients of general welfare payments, aid for dependent children; medical assistance and other forms of payments; redefining needy persons; providing for public work service projects; changing hearing procedures; further providing for eligibility for certain assistance payments; providing penalties and increasing certain fines; providing for the privacy of certain Federal assistance; and authorizing the use of certain records.

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

Section 1. Clause (2) of section 201, act of June 13, 1967 (P.L.31, No.21), known as the "Public Welfare Code," is amended and a clause is added to read:

Section 201. State Participation in Cooperative Federal Programs.— The department shall have the power:

(2) With the approval of the Governor, to develop and submit State plans or other proposals to the Federal government, to promulgate regulations, establish and enforce standards and to take such other measures as may be necessary to render the Commonwealth eligible for available Federal funds or other assistance. Notwithstanding anything to the contrary in the act of July 31, 1968 (P.L. 769, No. 240), referred to as the Commonwealth Documents Law, the department may omit notice of proposed rulemaking and promulgate regulations as final when a delay of thirty days or less in the final adoption of regulations will result in the loss of Federal funds or when a delay of thirty days or less in adoption would require the replacement of Federal funds with State funds.

* * *

(4) To conduct investigations of all activities related to fraud, misuse or theft of public assistance moneys, medical assistance moneys or benefits, or Federal food stamps, committed by any person who is or has been participating in or administering programs of the department, or by persons who aid or abet others in the commission of fraudulent acts affecting welfare programs.

Section 2. Subsection (b) of section 403 of the act, added July 15, 1976 (P.L.993, No.202), is amended and a subsection is added to read:

Section 403. Uniformity in Administration of Assistance; Regulations as to Assistance.—***

(b) The department shall establish rules, regulations and standards, consistent with the law, as to eligibility for assistance and as to its nature and extent. Whenever possible and consistent with State law, the department shall establish rules, regulations and standards for general assistance consistent with those established for aid to families with dependent children. In no instance shall the rules, regulations and standards established for general assistance provide for benefits greater than those benefits provided for aid to families with dependent children. The secretary or his designee in writing is the only person authorized to adopt regulations, orders, or standards of general application to implement, interpret, or make specific the law administered by the department. The secretary shall issue interim regulations whenever changes in Federal laws and regulations supersede existing statutes. In adopting regulations, orders, or standards of general application, the secretary shall strive for clarity of language which may be readily understood by those administering aid and by those who apply for or receive aid.

* * *

(e) Beginning no later than December 31, 1982, the department shall conduct annual quality control reviews of the general assistance caseload in accordance with a methodology and scope determined by the department.

Section 3. The act is amended by adding a section to read:

Section 404.1. Identification Numbers on Checks.—Beginning no later than December 31, 1982, the department shall place or cause to be placed the social security number of the recipient on each check issued for cash assistance under this article.

Section 4. Subsections (a) and (e) of section 405.1 of the act, added July 15, 1976 (P.L.993, No.202), are amended to read:

Section 405.1. [Pennsylvania Employables] Work Registration Program.—(a) [Every individual, within ten days after establishing eligibility for public assistance, as a condition of continuing eligibility for aid to families with dependent children or general assistance,] Prior to the authorization of assistance, every individual shall register in accordance with regulations of the department for employment, training and manpower services, unless such individual is:

(1) a child who is [attending school or college or an approved program of vocational training on a full-time basis or who is under the age of sixteen;] under the age of sixteen or is attending full-time an elementary, secondary or equivalent vocational (or technical) school;

(2) [ill or incapacitated;] a person who has a serious physical or mental handicap which prevents him or her from working in any substantial activity as determined in accordance with the standards established by the department. The department shall require that documentation of disability be submitted from a physician or psychologist. Alcohol or drug dependent persons are obligated to comply with section 9(d), act of April 14, 1972 (P.L.221, No.63), known as the "Pennsylvania Drug and Alcohol Abuse Control Act"; [(3) so remote from a registration security office that effective participation in employment and training counseling is precluded;

(4)] (3) required to be present in the home because of illness or incapacity of another member of the household;

[(5)] (4) the [mother] parent or other relative of a child under the age of six who is [caring] personally providing care for the child with only very brief and infrequent absences from the child;

[(6)] (5) the [mother] *parent* or other caretaker of a child if [the father or] another adult [male] relative is in the home and not excluded from the requirement to register, unless such *other* adult [male] relative has failed to register as herein required or has refused without good cause to accept employment or to participate in work experience or training;

[(7) the mother or other caretaker of a child between the ages of six and fourteen, unless there are adequate child care arrangements for the child;

(8)] (6) actively participating in the Federal work incentive program [or was certified to said program within the previous six months; or];

[(9)] (7) employed full time; or

(8) the parent of a child who is deprived of parental support or care by reason of the unemployment of a parent, if the other parent (who is the principal wage earner) is not excluded by the preceding paragraphs of this subsection.

* * *

(e) The department shall, within twelve months of the effective date of this act, establish a [series of demonstration projects] Statewide **program** which will have as **[their]** its primary purpose, the obtaining of bona fide employment for non-exempt assistance applicants and recipients. The [demonstration projects] program may be substituted for the registration required by subsection (a). The [demonstration projects] program shall include, but not be limited to referral to private employment agencies under contract with the department and the establishment of an employment officer in county board of assistance offices. [Those demonstration projects considered by the department to be successful after at least a twelve-month trial period may be made permanent on either a Statewide or localized basis. During the trial period, a demonstration project may be expanded. Every demonstration project must include adequate provision for evaluation and each evaluation shall include participation by members of the public. Nothing in this subsection shall be construed to permit the implementation of a demonstration program which would require an applicant or recipient to perform work as payment for an assistance grant.

* * *

Section 5. The act is amended by adding a section to read:

Section 405.2. Community Work Program.—(a) The department shall coordinate the establishment of community work projects by departments, agencies or institutions of the Commonwealth or any political subdivision located within the Commonwealth or any agency of the Federal Government and shall assign to these work projects cash assistance recipients for whom the Office of Employment Security has been unable to secure employment. In instances when community work projects are not available for all able-bodied cash assistance recipients, priority shall be given to general assistance recipients for referral to available projects.

(b) Every individual who has not received a bona fide offer of training or employment under section 405.1 shall, as a condition of continuing eligibility for cash assistance, report to and work in a community work project established under this section unless such individual is over the age of forty-five or is exempt from the registration requirements of section 405.1. Such individual shall be required to work that number of hours which when multiplied by the applicable minimum wage equals the amount of cash assistance such person receives: Provided, however, That the parent or other caretaker of a child between the ages of six and fourteen who is personally providing care for the child with only very brief and infrequent absences from the child shall not be required to participate in community work projects except on days and at times when the child is in school or when there are adequate day-care arrangements available for the child at no cost to the recipient. No lien shall be imposed against the real property of the individual under the act of June 24, 1937 (P.L.2045, No.397), known as "The Support Law," to recover cash assistance payments paid to that individual for the period that the individual actually works in community work projects.

(c) Community work projects established under this section must be approved by the department. To qualify for approval, a work site must conform to appropriate health and safety standards. Cash assistance recipients shall not be assigned to work opportunities available due to a labor dispute, strike, or lockout and shall not be assigned to perform work so as to cause the layoff, downgrading or prevention of return to work of an available competent employe. Cash assistance recipients shall be assigned to community work projects within twenty-five miles of their place of residence.

(d) A person who without good cause fails or refuses to accept assignment to and participate in a community work project shall be disqualified from receiving cash assistance for sixty days for the first violation and thereafter until such time he or she is willing to comply. For the second violation and subsequent violations the disqualification period shall be one hundred twenty days. The disqualification period shall commence on the date the department's order imposing disqualification is final.

(e) The department shall propose initial rules and regulations for the administration of this section prior to the effective date of this section. Neither initial rules and regulations nor any promulgated thereafter with regard to this section shall take effect without the approval of the General Assembly. The department's proposed initial rules and regulations shall be submitted to, and approved or disapproved by, the Senate

and the House of Representatives in the same manner as provided for the consideration of reorganization plans provided for by the act of April 7, 1955 (P.L.23, No.8), known as the "Reorganization Act of 1955." In the event that the General Assembly disapproves the proposed rules and regulations, then the department shall submit new rules and regulations within thirty days.

(f) Workmen's compensation insurance premiums shall be the responsibility of the entity which provides the employment opportunity. Section 6. Section 408 of the act is amended to read:

Section 408. Meeting Special Needs; Encouraging Self-Support and Employment.—[(a)] The department shall [have the duty to] take measures not inconsistent with the purposes of this article; and when other funds or facilities for such purposes are inadequate or unavailable to provide for special needs of individuals eligible for assistance; to relieve suffering and distress arising from handicaps and infirmities; to promote their rehabilitation; to help them if possible to become self-dependent; and, to cooperate to the fullest extent with other public agencies empowered by law to provide vocational training, rehabilitative or similar services.

[(b) The department shall encourage employable recipients of assistance to accept full or part-time employment by providing that such recipients will again be granted assistance upon termination of such employment if they are in need thereof.]

Section 7. The act is amended by adding a section to read:

Section 408.1. Rental Payments to Housing Authorities.—If upon the petition of any housing authority created under the laws-of this-Commonwealth and after a hearing, the county board finds that a tenant of a housing project of the housing authority who is a recipient of public assistance owes the authority rent, in an amount equal to or greater than three monthly rental payments, then the board shall notify the department to deduct an amount equal to one and one-third monthly rental payments from each monthly assistance payment and pay the amounts deducted to the housing authority until such time as all the rent-owed-is paid. The department shall make the deductions required by this section to the fullest extent not inconsistent with Federal statute or regulation and shall make every effort to obtain a waiver of any inconsistent Federal requirement. If the provisions of this section are held to be invalid by the court, then the remaining provisions of this act shall not be affected and shall be given the full force and effect of law.

Section 8. Section 422 of the act is amended to read:

Section 422. Encouragement of Employment.—Each county board shall encourage employable recipients of assistance to accept full or parttime employment [by providing that such recipients will again be granted assistance upon the termination of such employment, if in need thereof; and, any rule or regulation of the department or of the county board heretofore or hereafter adopted, contrary hereto, is hereby voided]. Section 9. Section 423 of the act, repealed in part April 28, 1978 (P.L.202, No.53), is amended to read:

Section 423. Hearing Appeals of Recipients.—(a) Each county board shall hear and determine appeals from actions of its employes affecting the rights of those applying for or receiving assistance. Any person applying for or receiving assistance of any type covered by the public assistance provisions of the Federal Social Security Act, may appeal to the department from any decision of the county board, refusing or discontinuing his assistance, in whole or in part. In every such appeal, an opportunity for a fair hearing shall be granted, and the decision of the department on such appeal shall be final, except as otherwise hereinafter provided. All such appeals shall be in accordance with rules and regulations established by the department. [All appeals from the county board to the department or from the department or county board to the court, shall operate as a supersedeas of any order of the county board or department in all cases where the appellant is already receiving assistance.] If the appellant is already receiving assistance and requests a fair hearing within the timely notice period, assistance shall not be terminated until a decision is rendered in the hearing except in those appeals where the sole issue is one of State or Federal law or policy or change in State or Federal law or policy. In appeals where the sole issue is one of State or Federal law or policy or change in State or Federal law or policy, assistance shall be terminated when the decision is rendered by the county board of assistance. Assistance granted pending a fair hearing is subject to recovery by the department if the department action is sustained.

(b) Notwithstanding anything to the contrary in Title 2 of the Pennsylvania Consolidated Statutes (relating to administrative law and procedure), the department may make an adjudication solely on the basis of written submissions if the sole question presented by the appellant is one of State or Federal law.

Section 10. The introductory paragraph and clause (3) of section 432 of the act, amended April 1, 1976 (P.L.64, No.28), are amended and clauses are added to read:

Section 432. Eligibility.—Except as hereinafter otherwise provided, and subject to the rules, regulations, and standards established by the department, both as to eligibility for assistance and as to its nature and extent, needy persons of the classes defined in clauses (1), (2), [(2)(i) and (2)(ii)] and (3) shall be eligible for assistance:

* * *

(3) Other persons who are citizens of the United States, or legally admitted aliens and who are chronically needy or transitionally needy persons.

(i) Chronically needy persons are those persons chronically in need who may be eligible for an indeterminate period as a result of medical, social or related circumstances and shall be limited to: (A) A child who is under age eighteen or who is attending a secondary or equivalent vocational or technical school full-time and may reasonably be expected to complete the program before reaching age nineteen.

(B) A person who is over forty-five years of age.

(C) A person who has a serious physical or mental handicap which prevents him or her from working in any substantial gainful activity as determined in accordance with standards established by the department. The department may require that documentation of disability be submitted from a physician or psychologist. The department may also order at the department's expense a person to submit to an independent examination as a condition of receiving assistance under this clause. The department shall determine eligibility within thirty days from the date of application. Persons discharged from mental institutions shall be classified as chronically needy in accordance with department regulations.

(D) A person who is a caretaker. This category of persons shall include persons whose presence is required in the home to care for another person as determined in accordance with department regulations.

(E) A person suffering from drug or alcohol abuse who is currently undergoing active treatment in an approved program. No individual shall qualify as chronically needy under this clause for more than nine months.

(F) A person who is employed full-time and who does not have earnings in excess of current grant levels.

(G) Any person who is ineligible for unemployment compensation and whose income falls below the assistance allowance level as a result of a natural disaster as determined by the department.

(H) Any person who has previously been employed full time for at least forty-eight months out of the previous eight years and has exhausted his or her unemployment compensation benefits prior to applying for assistance.

(1) Any person who does not otherwise qualify as chronically needy, and who is receiving general assistance on the date this section is enacted into law and who has not refused a bona fide job offer or otherwise failed to comply with all employment requirements of this act and regulations promulgated thereunder. Such person must comply with all employment requirements of this act and regulations promulgated thereunder. If after the date this section is enacted into law a person's general assistance grants are terminated, then that person may not subsequently qualify for general assistance under this clause except when such person has been terminated from employment through no fault of his own and has not met the minimum credit week qualifications of the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the "Unemployment Compensation Law." If it is determined that the classification of persons according to their status on the date of enactment as provided in this clause is invalid, then the remainder of this act shall be given full force and effect as if this clause had been omitted from this act, and individuals defined in this clause shall be considered transitionally needy if otherwise eligible. No person shall qualify for general assistance under this clause after December 31, 1982.

(ii) Assistance for chronically needy persons shall continue as long as the person remains eligible. Redeterminations shall be conducted on at least an annual basis and persons capable of work, even though otherwise eligible for assistance to the chronically needy, would be required to register for employment and accept employment if offered as a condition of eligibility except as otherwise exempt under section 405.1.

(iii) Transitionally needy persons are those persons who are otherwise eligible for general assistance but do not qualify as chronically needy. Assistance for transitionally needy persons shall be authorized only once in any twelve-month period in an amount not to exceed the amount of ninety days' assistance.

* * *

(6) Aid to families with dependent children shall not be paid to any family for any month in which any caretaker relative with whom the child is living is, on the last day of such month, participating in a strike, and no individual's needs shall be included in determining the amount of aid payable for any month to a family if, on the last day of such month, such individual' is participating in a strike.

(7) No person shall be terminated from aid to families with dependent children or general assistance if otherwise eligible solely because the department fails to offer a community work assignment to an individual required under section 405.2 to participate in the community work program, but individuals may be terminated for failure to comply with other rules and regulations under section 405.2.

Section 11. Subsection (b) of section 432.2, sections 432.3 and 432.4, subsection (c) of section 432.5, subsection (a) of section 432.6 and clause (4) of subsection (a) and subsection (b) of section 432.7 of the act, added July 15, 1976 (P.L.993, No.202), are amended and a subsection is added to section 432.6 to read:

Section 432.2. Determination of Eligibility.—***

(b) As a condition of eligibility[, an] for assistance, all applicants and recipients of assistance shall cooperate with the department in providing and verifying information necessary for the department to determine initial or continued eligibility in accordance with the provisions of this act. An individual applying for assistance shall complete an application containing [a written declaration of] such information required to establish eligibility and amount of grant. The application shall include, but not be limited to, the following information:

- (1) Names of all persons to receive aid;
- (2) Birth dates of all persons to receive aid;

(3) Social security numbers of all persons to receive aid, or proof of application for such social security number;

(4) Place of residence for all persons to receive aid;

(5) The names of any legally responsible relative living in the home;

(6) Any income or resources as defined in this act or in regulations promulgated pursuant to this act.

The department shall provide assistance as needed to complete the application and shall insure that all applicants or recipients have or promptly obtain a social security number.

* * *

Section 432.3. Voluntary Termination of Employment.—A person who is not in a class of persons excluded from mandatory participation in the [Pennsylvania employables] work registration program and who without good cause: (i) voluntarily terminates employment or reduces his earning capacity [for the purpose of qualifying for assistance or a larger amount thereof; or]; (ii) fails to apply for work at such time and in such manner as the department may prescribe; or (iii) fails or refuses to accept referral to and participate in a vocational rehabilitation or training program, including the work incentive program and the community work program, or refuses to accept referral to and work in and retain employment in which he is able to engage, provided such employment conforms to the standards established for a bona fide offer of employment in the [Pennsylvania employables] work registration program, shall be disqualified from receiving assistance for [thirty days thereafter and] sixty days for the first violation and thereafter until such time as he is willing to comply with the requirements of section 405.1. For the second violation and for each subsequent violation the disqualification period shall be one hundred twenty days. The disqualification period shall commence on the date the department's order imposing the disqualification is final.

Section 432.4. Identification and Proof of Residence.—All persons applying for assistance shall provide acceptable identification and proof of residence; the department shall by regulations specify what constitutes acceptable identification and proof of residence. A person shall be deemed to be a resident when he or she documents his or her residency and that residency is verified by the department. Verification may include, but is not limited to the production of rent receipts, mortgage payment receipts, utility receipts, bank accounts or enrollment of children in local schools.

For the purpose of determining eligibility for assistance, the continued absence of a recipient from the Commonwealth for a period of [sixty] *thirty* days or longer shall be prima facie evidence of the intent of the recipient to have changed his residence to a place outside the Commonwealth. [The department shall make inquiry from all recipients who have been continuously absent for a period of thirty days to determine whether or not it is their intent to remain residents of the Commonwealth or to become residents elsewhere, and shall redetermine the residence of such persons. In any case in which such inquiry does not establish that the recipient remains a resident of the Commonwealth, his aid shall be terminated after providing timely and adequate notice of such intended action.] If a recipient is prevented by illness or other good cause from returning to the Commonwealth at the end of [sixty] *thirty* days, and has not acted to establish residence elsewhere, he shall not be deemed to have lost his residence in the Commonwealth.

When a recipient of aid to families with dependent children or general assistance is absent from the United States for a period in excess of thirty days, his aid shall thereafter be suspended whenever need cannot be determined for the ensuing period of his absence.

[It is not the intent of the General Assembly, however, in enacting this section to create any durational residence requirement.]

Section 432.5. Limits on Property Holdings.-***

(c) [Personal property] Other property in excess of [a combined amount of] two hundred fifty dollars (\$250) for [the first person in the] a single person assistance unit [and one hundred dollars (\$100) for each additional person in the assistance unit] and other property in excess of one thousand dollars (\$1,000) for assistance units with more than one person shall be considered an available resource [except as follows:]. The following items shall not be considered an available resource, unless such consideration is required under Federal law or regulations:

(1) Wedding and engagement rings, family heirlooms, clothing and children's toys.

(2) Household furnishings, personal effects and other items used to provide, equip, and maintain a household for the applicant and recipient.

(3) Equipment and material which are necessary to implement employment, rehabilitation, or self care plan for the applicant or recipient.

(4) [Motor vehicles.] A motor vehicle with an equity value that does not exceed limits as the department may establish by regulation.

[(5) Savings of school children up to two thousand dollars (\$2,000) for each child.

(6)] (5) Retroactive assistance payments received as a result of a prehearing conference or a fair hearing decision.

[(7) Life insurance with a cash value not in excess of one thousand dollars (\$1,000).]

* * *

Section 432.6. Support From Legally Responsible Relatives.— (a) [Every] Prior to authorization every applicant for assistance whose eligibility is based on deprivation due to absence of a parent from a home shall be referred [within ten days for interview to the designated support official of the department who shall be stationed in local welfare offices, unless such offices have too few applicants to warrant permanent stationing] to the domestic relations section or other applicable division of the court of common pleas. The department shall be responsible for taking all steps necessary to identify, locate, and obtain support payments from absent parents.

* * *

(e) Acceptance of public assistance shall operate as an assignment to the department, by operation of law, of the assistance recipient's rights to receive support, on his or her own behalf and on behalf of any family member with respect to whom the recipient is receiving public assistance. Such assignment shall be effective only up to the amount of public assistance received. The assignment shall take effect at the time that the recipient is determined to be eligible for public assistance. Upon termination of public assistance payments, the assignment of support rights shall terminate, provided that any amount of unpaid support obligations shall continue as an obligation to the department, to the extent of any unreimbursed assistance. Immediately upon receipt of notification from the department that a recipient has been determined to be eligible for public assistance, the clerks of the appropriate courts of the Commonwealth shall transmit any and all support payments that they thereafter receive on behalf of such public assistance recipients to the department. Such clerks shall continue transmitting such support payments until notified by the department that it is no longer necessary to do so. While the recipient is receiving public assistance, any such support payments made to or on behalf of the public assistance recipient shall be allocated first to any amount due the department as assignee of the recipient's support rights. The public assistance recipient shall be deemed to have appointed the department as his or her attorney in fact to endorse over to the department any and all drafts, checks, money orders or other negotiable instruments submitted for payment of support due during the time the recipient is receiving public assistance on behalf of himself, herself or any family member.

Section 432.7. Determination of Paternity and Enforcement of Support Obligations.—In accordance with a child support plan approved by the Federal Government, the department shall have the power and its duty shall be to:

(a) Require as a condition of eligibility for assistance that the applicant or recipient:

* * *

(4) Cooperate in obtaining support payments for such applicant or recipient and for a child with respect to whom such aid is claimed or in obtaining any other payment or property due such applicant, recipient or such child, except when such cooperation would not be in the best interest of the child in accordance with standards developed by the department consistent with Federal regulations. "Cooperation" includes, but is not limited to, the keeping of scheduled appointments with applicable offices and appearing as a witness in court or at other hearings or proceedings necessary to obtain support from the absent parent.

(b) Provide for protective payments [for any child eligible for assistance when a caretaker relative is ineligible due to the caretaker relative's failure to comply with either clause (2), (3) or (4) of subsection (a)] as set forth in section 432.7A.

* * *

Section 12. The act is amended by adding a section to read:

Section 432.7A. Protective Payments Imposed for Failure to Cooperate.—(a) It is essential to the effective and responsible utilization of assistance funds that applicants and recipients who are caretaker relatives of a child whose eligibility for assistance is based on deprivation due to absence of a parent from a home, cooperate fully with the department in securing child support payments from the absent parent and in all other matters set forth in subsection (a) of section 432.7.

(b) (1) Upon application for assistance, each caretaker relative shall be notified that his or her cooperation in the matters set forth in subsection (a) of section 432.7 shall be required as a condition of eligibility and that failure to cooperate will result in the imposition of protective payments for any child in whose behalf the caretaker relative seeks assistance.

(2) If the caretaker relative fails to cooperate, unless the failure to cooperate was for good cause, the department shall notify the caretaker relative in writing that protective payments will be imposed for any child so affected ten days after the date of notice. At the expiration of the tenday period, the department shall impose protective payments.

Section 13. Subsection (b) of section 432.9 of the act, added July 15, 1976 (P.L.993, No.202), is amended to read:

Section 432.9. Central Registry.—***

(b) To effectuate the purposes of this section, the department may request and shall receive from all departments, bureaus, boards or other agencies of this Commonwealth, or any of its political subdivisions, and the same are authorized to provide, such assistance and data [except tax records] as will enable the department and other public agencies to carry out their duties to locate absent parents for the support of their children. The data to be provided from tax records shall be limited to full name, residence or address, name and address of employer and the social security account number of the absent parent. The department shall utilize the "parent locator service" pursuant to establishment in the Department of Health[, Education and Welfare] and Human Services by filing in accordance with section 653(b) of the Social Security Act.

* * *

Section 14. Section 432.10 of the act is repealed.

Section 15. Subsection (a) of section 432.11, subsections (a) and (c) of section 432.12, and sections 432.15 and 432.16 of the act, added July 15, 1976 (P.L.993, No.202), are amended to read:

Section 432.11. Access to State Records.—(a) The secretary or his designees in writing shall have access to all records [other than tax records], and the department, in cooperation with all other departments of the executive branch, shall establish a single uniform system of information clearance and retrieval. Information collected as a result of the use of tax records shall be limited to full name, residence or address, name and address of employer and the social security account number of the absent parent.

* * *

Section 432.12. Determination of [Income] Need.—(a) In [accordance with Federal law and regulations the department shall, in] determining need for aid to families with dependent children, [take into consideration] the income[, excluding that amount equal to the expenses reasonably attributable to the earning of income,] of all members of the assistance unit who are fourteen years of age or older shall be considered except the income of a member of the assistance unit who is between the ages of fourteen and twenty-one, is a full or part-time student, and is not employed full time. In determining eligibility, a part of the income may be excluded if attributable to the earning of income.

In determining need for general assistance, the department shall take into consideration all income, excluding that amount equal to the expenses reasonably attributable to the earning of income up to twentyfive dollars (\$25) per month, of all members of the assistance unit who are fourteen years of age or older. The deduction shall be considered to cover all transportation expenses related to employment, all child and adult care related to employment, all other expenses attributed to employment such as but not limited to union dues, uniforms and the like, and all deductions over which the employe has no control such as but not limited to Federal and State income tax. In addition to said work related expenses, a work incentive equal to the first twenty dollars (\$20) plus fifty percent of the next sixty dollars (\$60) [shall] may be deducted from the gross monthly wages of each employed recipient of general assistance for a period not to exceed four months. The general assistance grant shall be computed on the remainder.

* * *

(c) [To be considered in establishing financial eligibility and the amount of the assistance payment, income must be actually available for current use by the applicant or recipient. In accordance with Federal law and regulations, the] In establishing financial eligibility and the amount of the assistance payment in both the aid to families with dependent children program and the general assistance program, the department may consider the income of certain individuals as if it were actually available to other household members notwithstanding the fact that the income may not be actually available to other household members. Income of stepparents living in a household shall be considered available to the household by the department. The department may choose to consider income on either a prospective or retrospective basis in determining eligibility and the amount of the assistance payment. The applicant or recipient shall[, however,] as a necessary condition of eligibility:

(1) provide all information necessary to income determination; and

(2) take all actions necessary to obtain unconditionally available income including applying for unemployment compensation to the extent permitted by Federal law. Income shall be considered unconditionally available if the applicant or recipient has only to claim or accept such income, including any type of governmental benefits, social insurance, private pension or benefits plan, or offers of private contributions, including contributions from relatives not in the nature of disaster relief. Section 432.15. Quarterly Earnings Determination.—The department shall transmit to the [Bureau] Office of Employment Security the social security number of all persons over sixteen years of age who receive assistance during the second prior quarter. The [Bureau] Office of Employment Security shall determine the amount of wages reported by employers for the amount of unemployment compensation insurance benefits which have been paid during the second and third prior quarters to persons with those social security numbers and shall return such information, [including zero wage reports] excluding zero wage reports, to the department. The department shall compare such wage reports with earnings reported by recipients, take prompt action to resolve discrepancies, and shall refer promptly for investigation any cases of suspected fraud.

Section 432.16. Recoupment of Prior Overpayments and Retroactive Correction of Underpayments.—(a) In accordance with Federal law and regulations, the department shall establish procedures for recoupment of prior overpayments. [caused by the recipient's wilfull withholding of information concerning his income, resources, or other circumstances which may affect the amount of payment, provided that:

(1) The amount of overpayments recouped shall be limited to overpayments made during the twelve months preceding the month in which the overpayment was discovered: Provided, however, That where the overpayment was caused by the recipient's wilfull withholding of information regarding his income or resources, recoupment shall be permitted for overpayments made during the twenty-four months preceding the month in which the overpayment was discovered.

(2) (1) The recoupment of overpayments may be made [(i)] from income. [or] liquid resources. [exclusive of the current] or assistance [payment,] payments. [which are currently available to the recipient in the amount by which the department proposes to reduce payments; or (ii) from current assistance payments. If recoupments are made from current assistance payments, the department shall, on a case-by-case basis, limit the proportion of such payments that may be deducted in each case, so as not to cause undue hardship on recipients.] However, in no case shall the combined income, liquid resources, or assistance payment be less than ninety percent of the amount payable to an assistance unit of the same composition with no income. Recoupment may be from: (i) the assistance unit which was overpaid, (ii) any assistance unit of which a member of the overpaid assistance unit has subsequently become a member, or (iii) any individual members of the overpaid assistance unit whether or not currently a recipient. If the Commonwealth recovers from individuals who are no longer recipients, recovery shall be made by appropriate action under State law against the income or resources of those individuals.

[(3) In no event, shall the grant of a needy child be reduced unless the parents or other responsible persons have sufficient available income or resources to meet the needs of the dependent child according to department standards during the period of reduction.

(4)] (2) The department shall, prior to effecting any reduction of a current grant, advise the recipient of the proposed reduction by timely and adequate notice.

(b) The department shall be permitted to recoup overpayments in accordance with the provisions of subsection (a) concurrent with a suit for restitution provided that the extent of liability for restitution shall be reduced by the amount of overpayments recouped.

(c) The department shall[, in accordance with Federal regulations,] establish procedures for retroactive correction of underpayments caused by administrative error provided that:

(1) retroactive corrective payments shall be limited to the twelve months preceding the month in which the underpayment first becomes known to the department;

(2) retroactive payments to correct improper denial of assistance shall be made for up to twelve months prior to the month in which the error first becomes known to the department, but in no case earlier than the date of application; *and*

(3) for the purposes of determining continued eligibility and the amount of assistance, such retroactive corrective payments shall not be considered as income or as a resource in the month in which paid nor in the next following month[; and].

[(4) no retroactive payment need be made where the administrative cost would exceed the amount of such payment.]

(d) In cases which have both an underpayment and an overpayment, the department will offset one against the other in correcting the payment.

Section 16. The act is amended by adding sections to read:

Section 432.19. Verification of Eligibility.—The department may issue regulations requiring that certain conditions of eligibility for assistance be verified prior to authorization of assistance or during a redetermination of a recipient's eligibility. Initial authorization of assistance shall not be delayed more than fifteen days after application for purposes of verification of eligibility if the applicant has cooperated in the verification attempt. Except when prohibited by Federal law, it shall be a condition of eligibility for assistance that an applicant or recipient consent to the disclosure of information about the age, residence, citizenship, employment, applications for employment, income and resources of the applicant or recipient which is in the possession of third parties. Such consent shall be effective to empower any third party to release information requested by the department. Except in cases of suspected fraud, the department shall attempt to notify the applicant or recipient prior to contacting a third party for information about that applicant er-reeipient.

Section 432.20. Prohibition on Grant or Assistance for Moving Costs.—The department shall not provide in any manner specific grants or assistance to any person to pay for or offset the cost of such person's moving expenses, except when the move is necessary to secure gainful permanent employment or is required due to a verifiable health reason. Assistance shall not be provided to any assistance unit for more than one move in any twelve-month period, and shall not exceed two hundred dollars (\$200).

Section 432.21. Requirement that Certain Federal Benefits be Primary Sources of Assistance.—(a) All recipients or applicants for assistance in this Commonwealth shall cooperate with the department in identifying the eligibility of such recipients or applicants for Federal Social Security Supplemental Security Income (SSI), Federal Social Security Retirement, Survivor's and Disability Income benefits (RSDI) or other Federal programs as the primary source of financial assistance for such persons. Any person who, without good cause, fails to cooperate with the department in an effort to establish such person's eligibility for SSI, RSDI or other Federal benefits shall have his assistance terminated, or if he has not previously received assistance, shall thereby be rendered ineligible for such assistance for a period of sixty days by reason of his noncooperation.

(b) All applicants for or recipients of assistance shall reimburse the department for any public assistance grants made to them in months for which SSI, RSDI or other Federal benefits are awarded them, as a condition of eligibility for assistance.

Section 17. Section 442.1 of the act, added July 31, 1968 (P.L.904, No.273), is amended to read:

Section 442.1. The Medically Needy; Determination of Eligibility.— A person shall be considered medically needy if he:

(1) Resides in Pennsylvania, regardless of the duration of his residence or his absence therefrom; and

(2) Meets the standards of financial eligibility established by the department with the approval of the Governor. In establishing these standards the department shall take into account (i) the funds certified by the Budget Secretary as available for medical assistance for the medically needy; (ii) pertinent Federal legislation and regulations; and (iii) the cost of living. Transitionally needy persons who are not eligible for cash assistance by reason of section 432(3)(iii) shall be considered medically needy if otherwise eligible.

Section 18. Subsection (e) of section 443.6 of the act, added September 26, 1978 (P.L.769, No.146), is amended to read:

Section 443.6. Reimbursement for Certain Medical Assistance Items and Services.--***

(e) The department shall promulgate regulations to implement this section and shall establish a procedure for prior authorization. Such regulations may establish procedures for issuing prior authorization at whatever administrative level the department through the secretary deems appropriate. Appropriateness shall be determined by the secretary after hearings have been held and public input is received. Procedures adopted in accordance with this section shall provide authorization-when appropriate, without undue delay. When no decision is made on a request to the department for covered services within twenty-one days of

the date that the request is received by the department, the authorization shall be deemed approved. The department shall keep a record of those cases in which no decision is made within twenty-one days. The requirements of this section shall not apply in a medical emergency situation as defined by the department.

Section 19. The heading of subarticle (g) of Article IV of the act is amended to read:

ARTICLE IV PUBLIC ASSISTANCE

(g) Special Provisions Respecting [Medical] Assistance

Section 20. The act is amended by adding a section to read:

Section 475. Grant Increases.—(a) On July 1, 1982, the Department of Public Welfare shall raise general assistance and aid to families with dependent children allowances for assistance units of three or more persons by an average of at least five percent.

(b) If the department is prevented by court order from implementing the provisions of section 10 of this amendatory act, the provisions of this section shall be suspended and shall not take effect until the provisions of section 10 are implemented.

Section 21. Sections 481 and 487 of the act, amended July 15, 1976 (P.L.993, No.202), are amended to read:

Section 481. False Statements; *Investigations;* Penalty.—(a) Any person who, either prior to, or at the time of, or subsequent to the application for assistance, by means of a wilfully false statement [of] or misrepresentation, or by impersonation or by wilfully failing to disclose a material fact regarding eligibility or other fraudulent means, secures, or attempts to secure, or aids or abets or attempts to aid or abet any person in securing assistance, or Federal food stamps, [under this article shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding one thousand dollars (\$1,000), or to undergo imprisonment not exceeding one year, or both, and also shall be sentenced to make restitution of any moneys he has received by reason of any such false statement, misrepresentation, impersonation, or fraudulent means] commits a crime which shall be graded as provided in subsection (b).

(b) [Any person who, either prior to or at the time of or subsequent to the application for assistance, by means of a wilfully false statement or misrepresentation, or by impersonation, or other fraudulent means, secures or attempts to secure assistance or Federal food stamps not exceeding three hundred dollars (\$300) under this article shall, upon conviction thereof in a summary proceeding, be sentenced to make restitution of such assistance, and to pay a fine of not more than two hundred dollars (\$200). When having available sufficient means or the ability to acquire such means, wilfull failure to make restitution and pay the fine imposed shall result in imprisonment not exceeding sixty days.] Any person violating subsection (a) commits the grade of crime determined from the following schedule:

Amount of Assistance	Degree of Crime
or Food Stamps	
\$3,000 or more	Felony of the third degree
\$1,500 to \$2,999	Misdemeanor of the first degree
\$1,000 to \$1,499	Misdemeanor of the second degree
\$ 999 and under, or	
an attempt to commit	
any act prohibited in	
subsection (a)	Misdemeanor of the third degree

Pursuant to 42 Pa.C.S. § 1515(a)(7) (relating to jurisdiction and venue), jurisdiction over cases graded a misdemeanor of the third degree under this section shall be vested in district justices.

(c) [There shall be a four-year statute of limitations on all offenses under this section.] Any person committing a crime enumerated in subsection (a) shall be ordered to pay restitution of any moneys he has received by reason of any false statement, misrepresentation, impersonation, failure to disclose required information or fraudulent means. Restitution ordered under this subsection may be paid in a lump sum, by monthly installments or according to such other schedule as is deemed just by the sentencing court. Notwithstanding the provisions of 18 Pa.C.S. § 1106(c)(2) (relating to restitution for injuries to person or property) to the contrary, the period of time during which the offender is ordered to make restitution may exceed the maximum term of imprisonment to which the offender could have been sentenced for the crime of which he was convicted, if the sentencing court determines such period to be reasonable and in the interests of justice.

(d) There shall be a four-year statute of limitations on all crimes enumerated in subsection (a).

(e) The Treasury Department shall have the power to investigate and prosecute any case involving replacement of or duplicate receipt of or altered assistance checks and shall have the power to collect any funds as a result of such investigations and prosecution. For purposes of this section those employes of the Treasury Department as are designated "investigators" are given the power and authority to subpoena any document for review or audit and may question and subpoena any person believed to have any knowledge in such cases. The Treasury Department shall make such rules and regulations as may be necessary to carry out the provisions of this section.

Information to be Supplied.—(a) Every bank, indus-Section 487. trial bank, credit union, trust company, bank and trust company, private banker, and building and loan association, or other financial institutions doing business in Pennsylvania, shall, when requested in writing so to do by the department, or any county board or by any official legislative investigating committee, or by any authorized agent thereof, disclose to such department, board, committee, or authorized agent, whether or not any person applying for or receiving public assistance, or former recipient within four years of closing their case, or any legally responsible relative of such applicant or recipient, or former recipient, has had, or has any money on deposit with, or invested in, such banking institution or building and loan association within one year prior to their application for assistance, or at any time thereafter, the amount and date of such deposit or investment, and the amounts and dates of withdrawals therefrom.

(b) Every employer shall, when requested in writing so to do by the department or any county board or by any official legislative investigating committee, or by any authorized agent thereof, disclose to such department, board, committee, or authorized agent within thirty days, whether or not any person applying for or receiving public assistance or former recipient within four years of closing their case, or any legally responsible relative of such applicant or recipient or former recipient, has or had received, or will receive, any money in salary, wages, commission, or other compensation from such employer, and if so, the amount and date of such salary, wages, commission, or other compensation.

Section 22. The act is amended by adding a section to read:

Section 489. Investigative Powers and Duties.—(a) In furtherance of the purposes set forth in this act to prevent, deter, investigate and prosecute persons who have committed or are committing fraud against assistance programs, the department may:

(1) Conduct investigations of all suspected criminal activities related to fraud, misuse or theft of moneys or benefits, or Federal food stamps, committed by persons who are or have been participating in, or administering programs of the department, or by persons who aid or abet others in criminal activity affecting welfare programs.

(2) Establish an investigations unit which shall have the power and duty to:

(i) investigate alleged violations of all criminal statutes related to fraud or other criminal activity connected with assistance programs administered by the department, except that suspected fraud or other criminal activity by medical providers or vendors will be investigated by State or Federal enforcement units having specific mandated authority; and

(ii) work in conjunction with the appropriate prosecuting authorities in the prosecution of cases where it is determined that evidence of criminal activity exists. (b) The provisions of subsection (a) granting investigative authority to the department shall not prevent or interfere with the jurisdiction exercised by other law enforcement agencies in the investigation of welfare related violations.

Section 23. Article IV of the act is amended by adding subarticles to read:

ARTICLE IV PUBLIC ASSISTANCE

(k) Employment Incentive Payments

Section 491. Employment Incentive Payments.—(a) Any corporation, bank, savings institution, company, insurance company, or mutual thrift institution employing persons, who prior to their employment were cash assistance recipients, shall be entitled to employment incentive payments to be provided as a credit against taxes imposed by Article IV, VII, VIII or IX of the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971," or by the act of June 22, 1964 (P.L.16, No.2), known as "The Mutual Thrift Institutions Tax Act." and any person. partnership or proprietorship employing such persons shall be entitled to payments to be provided as a credit against taxes imposed by Article III of the "Tax Reform Code of 1971." For the purposes of computing any tax liabilities against which the credit may be applied, deductions from taxable income shall be reduced by employment incentive payments. Employment incentive payments unused as a tax credit in any taxable year may be carried over against tax liabilities of the employer in the three immediately subsequent taxable years.

(b) An employment incentive payment may be claimed by an employer who hires any person who is receiving aid to families with dependent children or who is classified as chronically or transitionally needy at the time of employment except that payments shall not be provided for:

(1) The employment of any person who displaces any other individual from employment, except persons discharged for cause as certified by the Office of Employment Security.

(2) The employment of any person closely related, as defined by paragraphs (1) through (8) of section 152(a) of the Internal Revenue Code, to the taxpayer, or, if the taxpayer is a corporation, to an individual who owns, directly or indirectly more than fifty percent of the outstanding stock of the corporation, bank, savings institution, company, insurance company, or mutual thrift institution.

(3) The employment of an individual for whom the employer is simultaneously receiving Federally or State funded job training payments.

(c) (1) The employment incentive payment shall be the sum of thirty percent of the first six thousand dollars (\$6,000) of qualified first-

year wages for such year, twenty percent of the first six thousand dollars (\$6,000) of qualified second year wages for such year and ten percent of the first six thousand dollars (\$6,000) of the qualified third year wages for such year.

(2) If the employer provides or pays for day care services for the children of the employe, the employer shall be eligible to receive an additional employment incentive payment of six hundred dollars (\$600) during the first year of employment, five hundred dollars (\$500) during the second year of employment, and four hundred dollars (\$400) during the third year of employment.

(3) Total employment incentive payments shall not exceed ninety percent of total taxes paid by the employer against which the incentive payments may be claimed as a credit. Qualified wages must be cash remuneration to the employe, including any amounts deducted or withheld.

(d) To be eligible for employment incentive payments, the employment must continue for at least one year unless the employe voluntarily leaves the employment of the employer, becomes disabled or is terminated for cause. If the employe leaves his position voluntarily, becomes disabled, or is terminated for cause in less than one year, the employment incentive payment shall be reduced by the proportion of the year not worked. Employment initiated during the year may be claimed as an employment incentive payment in the subsequent year.

(e) The Department of Revenue, in cooperation with the Department of Public Welfare and the Department of Labor and Industry, shall administer the provisions of this section, promulgate appropriate rules, regulations and forms for that purpose and make such determinations as may be required. Determinations made with respect to the employment incentive payment provided in this section may be reviewed and appealed in the manner provided by law for other corporate or personal tax credits.

The total amount of employment incentive payments authorized (f) by this section shall not exceed twenty-five million dollars (\$25,000,000) in any fiscal year. To insure that credits are not claimed in excess of this amount, an employer may claim the incentive payments only upon presentation of an authorizing certificate. Certificates will be issued to the employe by the Department of Public Welfare upon presentation to the Department of Public Welfare of evidence of a qualifying offer of employment. The Department of Revenue shall advise the Department of Public Welfare of the total number of certificates which may be issued in each calendar quarter consistent with the limitation on total incentive payments. If an employe does not accept the job for which the certificate is authorized, the certificate shall be returned by the employe to the Department of Public Welfare. If an employe terminates employment for any reason prior to the expiration of three years, the employer shall return the certificate, noting the date of the employe's hiring and termination, to the Department of Revenue. The Department of Public Welfare may issue certificates through the Office of Employment Security and may promulgate regulations to allocate certificates.

(g) Employment incentive payments shall not be available for employes hired after December 31, 1985, unless reenacted by the General Assembly. Not later than July 1, 1985, the Department of Public Welfare shall report to the General Assembly on the effectiveness of incentive payments to encourage the employment of cash assistance recipients and recommend whether the program should be continued. Credits may be claimed against taxes payable for tax years beginning January 1, 1982, and thereafter, and may be claimed for employes hired after the effective date of this section.

(1) Priority Employment Services Program

Section 492. Priority Employment Services Program.—(a) The Department of Labor and Industry, through its Office of Employment Security, is hereby authorized to establish and provide special priority services to general assistance recipients above and beyond those currently available and permissible under Federal law, regulation and funding.

(b) The special priority services authorized by this section shall include, but are not limited to, the provision of job counseling, job testing and job readiness services beyond those currently available through Federal authority and an employer outreach program to encourage the employment of general assistance recipients in the private sector and to disseminate information regarding both Federal and State tax credit programs for which general assistance recipients are eligible.

(m) Employment Opportunities Incentive Grant Program

Section 493. Employment Opportunities Incentive Grant Program. —(a) The Department of Labor and Industry is hereby authorized to make grants to vocational schools, institutions of higher learning, and commercial and nonprofit enterprises for the implementation of projects to provide for employment opportunities for welfare recipients. These grants shall:

(1) support training programs necessary for structurally unemployed persons to obtain and retain bona fide employment;

(2) develop and implement programs to reduce welfare dependency and chronic unemployment;

(3) improve and diversify the economic base of communities to increase the number of unsubsidized jobs for the chronically unemployed; and

(4) support and encourage employment opportunities programs for low-income community residents and provide them the opportunity to become self-sustaining.

(b) The Department of Labor and Industry may contract with grantees after:

(1) Establishing bid requirements and a specific request for proposal.

(2) Advertising the request for proposal in the Pennsylvania Bulletin and circulating the request for proposal through interested eligible groups.

(3) Bids shall be opened in a public meeting with all potential vendors notified.

(4) Bids shall be evaluated by the department.

(c) Prior to the awarding of a grant the Department of Labor and Industry shall submit a copy of the request for a proposal and the bid application of the prospective grantee or prospective grantees to the Chairman of the Health and Welfare Committee of the House of Representatives and the Chairman of the Public Health and Welfare Committee of the Senate.

(d) Projects receiving grants under this section shall demonstrate the following:

(1) Linkage with and participation of the county boards of assistance.

(2) Provisions for support services such as remedial and career education, academic education, counseling, in-service training and jobbased curriculums.

(3) Demonstrate that funding would result in the creation of permanent private job opportunities.

(4) Demonstrate previous capability to administer programs of this nature.

(e) The Department of Labor and Industry, in order to effectuate and enforce the provisions of this section, shall promulgate necessary rules and regulations and prescribe conditions and procedures in order to assure compliance with this section.

(f) Grants under this section will be available through December 31, 1985, unless reenacted by the General Assembly. The Department of Labor and Industry shall report to the General Assembly on the effectiveness of the Employment Opportunities Incentive Grant Program annually. The annual report shall include, but not be limited to, the cost incurred by the department to administer the program, the number and the type of unsubsidized jobs made available as a result of the program, the number of welfare recipients removed from the welfare rolls as a result of the program and the projected savings to the Department of Public Welfare as a result of the program.

Section 24. (a) The department shall carry out or fund an evaluation of the economic and social impact of the amendments herein to section 432 of the act and provide that evaluation to the General Assembly by July 1, 1984.

(b) The department shall conduct performance audits of the Pennsylvania Community Work Program on an annual basis. The initial performance audit shall commence no later than one year from the effective date of this act and the results shall be reported to the General Assembly no later than 18 months from the effective date of this act. The department's annual report to the General Assembly regarding the Pennsylvania Community Work Program shall include an analysis of program costs, an evaluation of program effectiveness, and an evaluation as to how the program affects participating agencies.

Section 25. Notwithstanding any other provision of law except as expressly prohibited by Federal law as applied to any particular individual, all Comprehensive Employment and Training Act programs shall give first priority to the transitionally needy and the chronically needy.

Section 26. Except as provided for in section 475 of this act, the provisions of this act are severable, and if any of its provisions, or the application thereof to any person or circumstance is held invalid by the court, the remaining provisions of this act and the application of such provisions to other persons or circumstances shall not be affected and shall be given the full force and effect of law as if the invalid provisions had been omitted from this act.

Section 27. The provisions of this act affecting clause (2) of section 201, subsection (b) of section 403, and sections 405.1, 423, 432.2, 432.5, 432.10, 432.12 and 432.16 shall take effect immediately. The remainder of this act shall take effect in 60 days.

APPROVED-The 8th day of April, A. D. 1982.

DICK THORNBURGH