

RULES AND REGULATIONS

Title 55—PUBLIC WELFARE

DEPARTMENT OF PUBLIC WELFARE

[55 PA. CODE CH. 183]

Income

The Department of Public Welfare (Department), by this order, adopts an amendment to § 183.91 (relating to LRR, parent of an AFDC minor parent and stepparent deductions) under the authority of sections 201(2) and 403(b) of the Public Welfare Code (act) (62 P. S. §§ 201(2) and 403(b)). Section 201(2) of the act provides that the Department has the authority to promulgate regulations with approval of the Governor. Section 403(b) of the act provides that the Department will establish rules, regulations and standards consistent with the act. This amendment affects the Aid to Families with Dependent Children (AFDC) Program.

Notice of proposed rulemaking is omitted in accordance with section 204(1)(iv) of the act of July 31, 1968 (CDL) (P. L. 769, No. 240) (45 P. S. § 1204(1)(iv)) and 1 Pa. Code § 7.4(1)(iv) because the administrative regulations relate to Commonwealth grants and benefits. Additionally, the Department finds that the proposed rulemaking procedures in section 204(3) of the CDL are unnecessary because the amendment implements a mandatory Federal requirement which will increase AFDC benefits to certain persons receiving supplemental cash assistance and will provide supplemental payments to persons heretofore ineligible. A notice of rule change was published at 24 Pa.B. 1241 (March 5, 1994) which invited public comment. No comments were received at that time.

Background

Although the notice of rule change was not published until March 5, 1994, the Department instructed county assistance offices, via Operations Memorandum 93-10-6, to implement the increased standard deduction effective October 1, 1993. The automated Client Information System was updated to reflect the \$90 deduction as of September 14, 1993. These actions were taken to ensure that affected persons were given the benefit of the increased deduction as of the October 1993, effective date.

Purpose

The purpose of this amendment is to incorporate Federal policy on deemed income into Chapter 183 (relating to income).

Need for Amendment

Federal statute at 42 U.S.C.A. § 602(a)(31), section 13742 of the Omnibus Budget Reconciliation Act of 1993 (Pub. L. No. 103-66), increased the standard work/personal expense deduction from deemed income to \$90. This amendment to § 183.91(1)(i) is needed to incorporate Federal policy that was implemented under a notice of rule change at 24 Pa.B. 1241 into 55 Pa. Code.

Summary of Requirements

Section 183.91(1)(i) is revised to increase the standard

deduction from the income of legally responsible relatives (LRRs), parents of AFDC minor parents and stepparents from \$75 to \$90.

Affected Individuals and Organizations

This requirement affects AFDC recipients who reside with persons not receiving cash assistance whose earned income must be considered when determining eligibility and benefit amount.

Fiscal Impact

Commonwealth—Increasing the standard deduction from the income of LRRs, parents of AFDC minor parents and stepparents is expected to result in a State fund cost of \$22,000 in cash grants and \$9,000 in MA expenditures for FY 1993-94. It is anticipated that these costs will increase to \$30,000 in cash grants every year thereafter. MA costs will increase to \$17,000 for FY 1994-95 and by \$2,000 increments every year thereafter.

Public Sector—This amendment imposes no costs on the public sector.

Private Sector—This amendment imposes no costs on the private sector.

Paperwork Requirements

This amendment requires no additional forms, reports or other paperwork.

Effective Date

This amendment is effective upon publication as final rulemaking retroactive to October 1, 1993.

Sunset Date

There is no sunset date. The Department continuously reviews the AFDC program and regulations through the Federally-monitored quality control process. Also, the Department of Health and Human Services' staff conducts audits periodically on specific aspects of the program.

Public Comments

Although this amendment is being adopted without prior notice, interested persons are invited to submit written comments within 30 days from the date of the publication for consideration by the Department as to whether the amendment should be revised. The comments should be sent to the Department of Public Welfare, Patricia H. O'Neal, Director, Bureau of Policy, Room 431, Health and Welfare Building, Harrisburg, PA 17120, (717) 787-4081.

Persons with a disability may use the AT&T Relay Service by calling (800) 654-5984 (TDD users) or (800) 654-5988 (Voice users), or may use a Department TDD by calling (717) 787-3616. Persons who require another alternative should contact India Wood at (717) 783-2212.

Regulatory Review

Under section 5(f) of the Regulatory Review Act (71 P. S. § 745.5(f)), the Department submitted a copy of this amendment with proposed rulemaking omitted on February 21, 1996, to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the House

Committee on Health and Human Services and the Senate Committee on Public Health and Welfare. On the same date, the amendment was submitted to the Office of Attorney General for review and approval under the Commonwealth Attorneys Act (71 P. S. §§ 732-101—732-506). In accordance with section 5(c) of the Regulatory Review Act, this amendment was approved by the Committees on March 12, 1996, and was approved by IRRC on March 21, 1996.

Findings

The Department finds that:

(1) Public notice of intention to amend the administrative regulation amended by this order is omitted in accordance with section 204(1)(iv) of the CDL and 1 Pa. Code § 7.4(1)(iv) because the administrative regulation relates to Commonwealth grants and benefits. Additionally, the procedures in sections 201 and 202 of the CDL (45 P. S. §§ 1201 and 1202) are necessary because this amendment has been implemented under a notice of rule change effective March 5, 1994, and no public comments have been received by the Department.

(2) The adoption of this amendment in the manner provided in this order is necessary and appropriate for the administration and enforcement of the act.

Orders

The Department, acting under the act, orders that:

(a) The regulations of the Department, 55 Pa. Code Chapter 183, are amended by amending § 183.91 to read as set forth in Annex A to this order, with ellipses referring to the existing text of the regulation.

(b) The Secretary of the Department shall submit this order and Annex A to the Office of Attorney General and the Office of General Counsel for approval as to legality and form as required by law.

(c) The Secretary of the Department shall certify this order and Annex A and deposit them with the Legislative Reference Bureau as required by law.

(d) This order shall take effect upon publication in the *Pennsylvania Bulletin* and apply retroactively to October 1, 1993.

FEATHER O. HOUSTOUN,
Secretary

(Editor's Note: For the text of the order of the Independent Regulatory Review Commission relating to this document, see 26 Pa.B. 1605 (April 6, 1996).)

Fiscal Note: 14-427. (1) General Fund;

	<i>Cash Grants</i>	<i>MA-Output.</i>
(2) Implementing year 1993-94 is	\$22,000	\$ 9,000
(3) 1st succeeding year 1994-95 is	\$30,000	\$17,000
2nd succeeding year 1995-96 is	\$30,000	\$19,000
3rd succeeding year 1996-97 is	\$30,000	\$21,000
4th succeeding year 1997-98 is	\$30,000	\$23,000
5th succeeding year 1998-99 is	\$30,000	\$25,000
		<i>MA-</i>
	<i>Cash Grants</i>	<i>Outpatient</i>
(4) FY 1993-94	\$724,632,000	\$623,050,000
FY 1992-93	\$698,726,000	\$594,642,000
FY 1991-92	\$673,770,000	\$519,763,000

(7) Cash Grants and MA-Outpatient; (8) recommends adoption. These changes are mandated by the Federal Government and can be absorbed within the current appropriations.

Annex A

TITLE 55. PUBLIC WELFARE

PART II. PUBLIC ASSISTANCE MANUAL

Subpart D. DETERMINATION OF NEED AND AMOUNT OF ASSISTANCE

CHAPTER 183. INCOME

INCOME DEDUCTIONS

§ 183.91. LRR, parent of an AFDC minor parent and stepparent deductions.

The following deductions are taken from the verified gross income of an LRR, parent of an AFDC minor parent, and stepparent, living with the applicant or recipient, to determine the income deemed available to a budget group:

(1) From earned income, deduct work and personal expenses as follows:

(i) For AFDC-related cases, the first \$90 of earned income from full-time or part-time employment.

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[Pa.B. Doc. No. 96-805. Filed for public inspection May 17, 1996, 9:00 a.m.]