

# RULES AND REGULATIONS

## Title 55—PUBLIC WELFARE

### DEPARTMENT OF PUBLIC WELFARE

#### [55 PA. CODE CHS. 168 AND 3040]

#### Subsidized Child Day Care Eligibility

The Department of Public Welfare (Department), by this order, adopts amendments to Chapters 168 and 3040 (relating to transitional child care; and subsidized child day care), under the authority of Articles II, IV and VII of the Public Welfare Code (62 P. S. §§ 201—211, 401—493 and 701—703), and Title VI of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), Pub. L. No. 104-193, known as the Child Care and Development Block Grant (CCDBG) (42 U.S.C.A. §§ 9858—9858q).

Proposed rulemaking is omitted because the amendments relate to Commonwealth grants and benefits. See section 204(1)(iv) of the act of July 31, 1968 (P. L. 769, No. 240) (45 P. S. § 1204(1)(iv)) (CDL). In addition, proposed rulemaking is omitted as unnecessary and contrary to public interest because these changes increase benefits to many families who are eligible for the subsidized child care program and make additional families eligible upon publication on or after April 1, 2000. See section 204(3) of the CDL. Therefore, the Department finds proposed rulemaking as unnecessary and contrary to public interest. By omitting proposed rulemaking, many families will receive increased benefits sooner.

#### *Purpose of Amendments*

*Chapter 168*—These amendments will change certain sections of Chapter 168 relating to the determination of the family co-payment and the parent's verification of child care costs. The family's co-payment will not increase between redeterminations based solely on increases in income. The child care provider may submit an invoice directly to the County Assistance Office (CAO) for payment of child care costs instead of the provider submitting the invoice to the parent for submission with the parent's monthly reporting form. Both changes will permit more timely payment to child care providers participating in the Department's child care vendor payment system.

*Chapter 3040*—These amendments will change certain sections of Chapter 3040 by increasing the income limits for low-income families to qualify for a child care subsidy at initial application; revising the weekly co-payment schedule; changing the reporting requirements for former welfare and low-income working families; and increasing teen parents' access to subsidized child care.

#### *Background*

The current regulations for subsidized child care are codified in Chapters 168 and 3040. They became effective on February 1, 1999, and were amended effective February 1, 2000, at 29 Pa.B. 6242 (December 11, 1999). Chapter 168 establishes eligibility criteria for child care benefits for families who are receiving cash assistance benefits under the Temporary Assistance for Needy Families (TANF) Program. Chapter 3040 establishes eligibility criteria for families who formerly received cash assistance and for other low-income working families.

The regulations adopted at 29 Pa.B. 271 (January 1, 1999) effective February 1999 set forth the rules for a

coordinated child care system called Child Care Works. Child Care Works provides subsidized child care to families who receive TANF benefits, those transitioning off TANF, and low-income working families, by using similar rules and procedures to provide a continuum of child care benefits to these families. Child Care Works included elimination of the income disregard system for TANF families; elimination of the 12-month limit for child care benefits for former TANF families; increased co-payments for former TANF and low-income working families; and a lower income limit for families to receive subsidized child care. In addition, one of the Department's goals in implementing Child Care Works was to reduce the number of children of low-income working families on the Statewide waiting list and the time that eligible children spend on the waiting list before receiving subsidized child care.

Since some of the changes in Child Care Works reduced benefits to some low-income working families who were receiving subsidized child care, the Department made a commitment to monitor the impact of the subsidized child care eligibility regulations on all families receiving subsidized child care. After monitoring the impact of the regulations, the Department noted a reduction in the Statewide waiting lists and observed large increases in the number of children receiving a child care subsidy. Even with more children being served, the Department determined that it had adequate resources to make modest changes to the subsidized child care program without jeopardizing the progress made in meeting the needs of families who are eligible for subsidized child care or returning to long waiting lists. These changes were promulgated at 29 Pa.B. 6242.

The Department continued its monitoring efforts and determined that the demand for subsidized child care from eligible low-income working families has leveled off. Also, in all but a few counties, waiting lists were eliminated, resulting in children waiting no more than a few weeks to receive a subsidy. The stabilization of the demand for subsidized child care and reduction of the waiting lists resulted in more funds being available for the subsidized child care program to serve additional children or make program revisions, or both.

In addition to monitoring the impact of the subsidized eligibility regulations, the Department heard concerns from child care providers caring for children of TANF families that delays in the TANF payment system result in hardships to many child care providers. In reviewing the providers' concerns, the Department noted unintended consequences of waiting for monthly reporting income calculations for TANF families in order to determine the child care co-payment. These calculations are frequently delayed several months while CAO staff await complete information from TANF families. Since these monthly calculations result in changes to the family co-payment, which determines the payment to child care providers, the payments to providers are delayed. The Department determined that the stabilization of the amount of the family's co-payment will enable regulated providers participating in the Department's vendor payment system to be paid more quickly.

The Department determined that because the demand for subsidized child care has stabilized, there are adequate resources to provide benefits to more families in the subsidized child care program, expand the benefits to

families who are receiving subsidized child care, and still meet the child care needs of TANF, former TANF and low-income working families without substantially increasing the waiting lists.

To that end, the Department will:

- Expand the number of families who are eligible for subsidized child care by raising the income limit for families at initial application from 185% of the Federal Poverty Income Guidelines (FPIG) (\$25,678 for a family of three) to 200% of the FPIG (\$27,760 for a family of three).

The Department determined that resources are available to serve additional families with an income between 185% and 200% of the FPIG who are currently ineligible for subsidized child care. The Department selected 200% of the FPIG as the entry level for subsidized child care based on data from estimates of the number of families in the general population that will need and be eligible for subsidized child care. By increasing the income limit for initial eligibility for subsidized child care, the Department will be able to provide for a child care subsidy to approximately 10,500 additional children annually.

- Revise the standards for determining the amount of the co-payment by lowering the cap on the percentage of annual income a family would be required to pay as the co-payment, from 13.5% to 11.0% at 235% of the FPIG and from 10% to 8% at 100% of the FPIG. As a result, the weekly co-payment will decrease by \$5 to \$15 per week for nearly 90,000 families who are receiving subsidized child care and pay more than the minimum co-payment of \$5 per week. In addition, the Department is revising the co-payment structure by increasing the income brackets from \$1,650 to \$2,000 annually. Each increase in income which puts a family in a higher income bracket results in a \$5 per week increase in co-payment.

The Department is revising the co-payment schedule because it has the resources available to lower the co-payment amounts for families, which provides families with more available income to meet their living expenses. Also, the Department is revising the co-payment schedule so that a family is able to realize a larger increase in income without being assessed a higher weekly co-payment.

- Change the requirements for reporting increases in earned income to reduce the amount of time a parent spends in reporting changes and simplify the administrative process for eligibility agents. To accomplish this change, the Department has determined that an increase in earned income that does not reflect a change in employment for TANF families, former TANF families and low-income working families will not result in a higher co-payment until the next redetermination. However, if the parent reports a decrease in income and requests a reevaluation of the weekly co-payment, the eligibility agent will recalculate the amount of the co-payment based on the decrease in income. If the recalculation results in a decrease in the parent's co-payment, the decrease in co-payment will be implemented without a redetermination of the family's eligibility.

The Department is changing the income reporting requirement. The current regulations require parents to report each change in earned income, which may result in changes in their co-payment. The Department anticipates that eliminating the requirement to report every increase in earnings will reduce the time parents spend reporting changes to the eligibility agent and the administrative process of assessing and collecting co-payments. The new

regulations stabilize the co-payment amount in between redeterminations. This change, along with other procedural changes in the CAO, will result in more timely payments to child care providers who are participating in the Department's vendor payment system and who serve TANF children. The regulation change also simplifies the administrative process of assessing and collecting co-payments.

- Change the eligibility requirements for a teen parent living at home with her mother or father, or both. With this change, a teen parent can apply for subsidized child care for her child without her parents' cooperation in the eligibility process.

In February 1999, the Department changed the subsidized child care regulations for teen parents who were not receiving TANF benefits to mirror the eligibility requirements for TANF benefits. Those eligibility requirements required teen parents to remain in school and reside with a responsible adult. Those requirements also mandated consideration of the circumstances of the teen parent's parents to receive TANF benefits. The subsidized child care regulatory change in February 1999 produced unintended consequences. The Department did not anticipate that many grandparents would not cooperate in the eligibility determination process to allow their teen parent's child to receive subsidized child care. Since February 1999, the Department has noted a decrease in the number of teen parents who apply for and receive subsidized child care.

The change in these regulations allow for a teen parent to be determined eligible for a child care subsidy without the consideration of the income of the teen parent's parents and availability of the grandparents to provide child care while the teen parent pursues an education program. In addition, teen parent's parents do not need to comply with the 25-hour-per-week work requirement. The new regulations provide that when determining a teen parent's eligibility for child care subsidy, the eligibility agent will consider only the teen parent's circumstances.

The Department wants teen parents to stay in school to get their high school diploma or pursue a General Equivalency Diploma (GED). A teen parent who has child care is more likely to remain in school. An individual with a high school diploma or GED is more likely to be employed and more likely to obtain employment at higher pay than an individual who has not completed high school. A teen parent who stays in school is also less likely to have subsequent unplanned pregnancies. The Department is making the regulatory change to assure that teen parents have access to subsidized child care.

#### *Purpose of the Final-Form Regulations*

The purpose of the final-form regulations is to increase the initial income limits for a family to qualify for the subsidized child care program from 185% to 200% of the FPIG; to cap the percentage of annual income a family pays as the co-payment at 11%; to stabilize a family's co-payment between redeterminations by not reevaluating the family's co-payment with each increase in earned income; and to provide increased access to a child care subsidy for teen parents as they pursue a high school diploma or a GED.

#### *Summary of Changes*

There are two changes in Chapter 168: 1) the TANF parent is not required to verify child care costs on a monthly basis; and 2) a TANF parent's co-payment will

not increase during the period between eligibility redeterminations based solely on increases in income.

There are four changes in Chapter 3040: 1) an increase in the initial income eligibility limits from 185% of the FPIG to 200% of the FPIG for a family to qualify for the subsidized child care program; 2) a revised co-payment schedule that increases the income brackets between co-payment levels from \$1,600 to \$2,000 for each additional \$5 increase in co-payment and reduces the percentage of family income used to pay the assessed co-payment, which reduces the weekly co-payment for families; 3) stabilization of the family co-payment during the period between eligibility redeterminations, which is achieved by changing the requirement of the family to report increases in earned income not associated with a change in employment status; and 4) a change in the eligibility requirements for subsidized child care for teen parents who are completing high school or getting their GED and who are living with their parents.

*Chapter 168*

*Verification Requirements*

*Current Regulations*—The current regulations require child care costs to be verified monthly by the parent.

*New Regulations*—Section 168.41(3). The Department is deleting the word “parent,” which results in allowing verification of child care costs to be provided by the child care provider.

*Co-payment Stabilization*

*Current Regulations*—The current regulations state that actual income as reported on the monthly reporting form, for the prior month, is used to establish the co-payment for the following month; that the TANF grant is excluded as countable income when prospectively determining the co-payment; and actual income is used to calculate the co-payment for each month of retroactive benefits.

*New Regulations*—Section 168.74. The Department is revising this section to allow the co-payment to be stabilized between redeterminations. The Department is revising paragraph (1) to clarify that the TANF grant is excluded as countable income in the second month after the first pay is received, when determining the co-payment. The Department is adding language in paragraph (2) to provide that in the third month in which pay is received, the co-payment is calculated using anticipated income and the TANF grant adjusted for earnings. The co-payment will not change during the eligibility redetermination period unless a client reports a change in the client’s employment or the client requests a review of the co-payment amount. The Department is also revising this section to state that when a client requests retroactive child care benefits or the CAO authorizes retroactive child care benefits, the co-payment for each retroactive month will be determined using actual income in the month of application, rather than the actual income as reported on the monthly reporting form.

*Chapter 3040*

*Income Limit*

*Current Regulations*—Sections 3040.32(f) and 3040.63(c) (relating to financial eligibility; and calculating a co-payment) provide that a family is ineligible for child care subsidy at initial determination of eligibility if the annual family income exceeds 185% of the FPIG.

*New Regulations*—The Department is revising §§ 3040.32(f) and 3040.63(c) to provide that a family is ineligible for child care subsidy at initial determination of eligibility if the annual family income exceeds 200% of the FPIG.

*Determining Eligibility of a Teen Parent*

*Current Regulations*—Section 3040.28(1) now provides that when a minor parent applies for subsidized child care, the family composition used to determine eligibility includes the parents and siblings of the minor parent.

*New Regulation*—The Department is deleting § 3040.28(1)(ii) (relating to composition of a family). The family composition that will be used to determine eligibility for subsidized child care will be the same regardless of the age of the parent applying for child care subsidy. The word “minor” has been deleted throughout the chapter to coincide with the deletion of § 3040.28(1)(ii). These related deletions appear in § 3040.34(a)(1), (4) and (6); § 3040.38(a); § 3040.40(a) and (b); § 3040.52(d)(8) and Appendix A, Part II, D.

*Note:* There is no change in the requirement that a parent under age 18 must be pursuing a high school diploma or GED to qualify for a subsidy. The Department is adding § 3040.34 to permit parents age 18 to 22 to pursue a high school diploma and be eligible for subsidized child care.

*Reporting Requirements*

*Current Regulation*—The current regulation in § 3040.35(1) and (3) (relating to reporting changes) requires a parent to report a change in the amount of income from employment.

*New Regulation*—The Department is modifying the reporting requirements in § 3040.35(1) and (3) to provide that the parent need not report an increase in the amount of earned income if the parent did not change jobs and the child care needs remain the same.

*Co-payments*

*Current Regulation*—The current regulation in § 3040.63(a)(3) (relating to calculating a co-payment) provides that a family’s annual co-payment may not exceed 13.5% of the family’s annual income. Section 3040.63(a)(4) provides that the co-payment may not exceed 10% of the family’s annual income if that income is 100% or less of the FPIG. Section 3040.63(d) provides annual income limits of 185% of the FPIG at initial determination of eligibility and 235% of the FPIG at redetermination of eligibility. The co-payment in Appendix B is calculated in \$5 increments for each \$1,650 of annual income.

*New Regulation*—The new regulation provides for a revision in the co-payment schedule. Section 3040.63(a)(3) provides that if a family’s annual income exceeds 100% of the FPIG and does not exceed 235% of the FPIG, the co-payment may not exceed 11% of the family’s annual income. Section 3040.63(a)(4) provides that if a family’s annual income is 100% of the FPIG or less, the co-payment may not exceed 8% of the family’s annual income. Section 3040.63(d) provides that if the annual income for the family does not exceed 200% of the FPIG at initial determination of eligibility or does not exceed 235% of the FPIG at redetermination of eligibility and the family is otherwise eligible, the eligibility agent shall determine the co-payment by using Appendix B. The weekly co-payment in Appendix B is calculated in \$5 increments for each \$2,000 of annual income. The Department is also revising the co-payment chart at Appendix B to reflect these changes.

*Additional Changes*

The Department made stylistic revisions in §§ 3040.3, 3040.34(a)(3) and 3040.71(b)(2) (relating to definitions; nonfinancial eligibility; and general requirements regarding notification) to maintain consistency and form throughout the regulations.

*Fiscal Impact**Public Sector*

*Commonwealth*—The Department will realize an increase in costs to the subsidized child care program of \$20 million annually to implement the revisions to the current co-payment schedule, to increase the income limits at initial application for a family to qualify for subsidized child care and to increase the number of teen parents eligible for subsidized child care. The Department can make this change given the current funds available for subsidized child care and the additional \$20 million in the Governors Proposed Budget for Fiscal Year 2000-01. These funds will enable the Department to expand services by an additional 7,000 slots for subsidized care, which will serve an additional 10,500 children on an annual basis; to continue services to children receiving subsidy; and to assure that no children are terminated from subsidy because of lack of available funds.

*Political Subdivisions*—Local governments will not have increased costs due to these final-form regulations.

*Private Sector*

Child care providers who participate in the vendor payment system will receive more timely payments for TANF children,

Nearly 90,000 families will realize a decrease in their weekly co-payment amounts based on the new co-payment schedule. In addition, families will not realize increases in their co-payment as quickly when their annual income increases because the Department has expanded the income brackets from \$1,650 to \$2,000 annually for each \$5 increment in co-payment. Families who are not receiving TANF are relieved of their responsibility to report increases in earned income (unless there is a job change) prior to their next eligibility redetermination.

*General Public*

There will be a benefit to the general public. Approximately 10,500 children whose family income falls between 185% and 200% of the FPIG will be eligible for subsidized child care. Teen parents will be able to apply for subsidized child care without considering the circumstances of their parents. Teen parents who are eligible for subsidized child care will be able to continue their pursuit of a high school diploma.

*Paperwork Requirements*

The CAOs and the eligibility agents, who are Child Care Information Services (CCIS) agencies, will experience a temporary increase in paperwork because they will need to recalculate a co-payment for all families in the program upon adoption of this rulemaking. In addition, more families will be eligible for the subsidized child care program, which will result in the processing of additional applications and eligibility determinations.

There will also be some decrease in paperwork for those families that have a fluctuation in their earnings between redetermination dates because they will no longer be required to report increases in earned income within 10 days of the change occurring. This will lead to some decrease in paperwork for the CCIS agencies who will not

have to recalculate co-payments for those families between redetermination dates.

*Effective Date*

The amendments are effective upon publication.

*Sunset Date*

No sunset date applies to these amendments.

*Regulatory Review*

Under section 5.1(c) of the Regulatory Review Act (71 Pa. S. § 745.5a(c)), on February 17, 2000, the Department submitted a copy of these final-omitted regulations to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the Senate Committee on Public Health and Welfare and the House Committee on Aging and Youth. On the same date, the final-omitted regulations were submitted to the Office of the Attorney General for review and approval under the Commonwealth Attorneys Act (71 P. S. §§ 732-101—732-506).

In accordance with section 5.1(d) and (e) of the Regulatory Review Act, these final-form regulations were deemed approved by the Committees on March 8, 2000, and were approved by IRRC on March 9, 2000.

*Contact Person*

The contact person for these final-omitted regulations is Kathryn J. Holod, Director, Bureau of Child Day Care Services, Bertolino Building, 4th Floor, Harrisburg, PA 17102, (717) 787-8691.

*Findings*

The Department finds that:

(1) Public notice of intention to adopt the administrative regulations by this order is omitted because the regulations relate to Commonwealth grants and benefits and is unnecessary and contrary to public interest under section 204(1)(iv) and (3) of the CDL and the regulations thereunder, 1 Pa. Code § 7.4(1)(iv) and (3).

(2) The adoption of these regulations in the manner provided in this order is necessary and appropriate for the administration and enforcement of the Public Welfare Code.

*Order*

The Department, acting under the Public Welfare Code, orders that:

(a) The regulations of the Department, 55 Pa. Code Chapters 168 and 3040, are amended by amending §§ 168.41, 168.74, 3040.3, 3040.28, 3040.32, 3040.34, 3040.35, 3040.38, 3040.40, 3040.52, 3040.63, 3040.71 and Appendices A and B, to read as set forth in Annex A to this order, with ellipses referring to the existing text of the regulations.

(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.

FEATHER O. HOUSTON,  
*Secretary*

*(Editor's Note:* For the text of the order of the Independent Regulatory Review Commission relating to this document, see 30 Pa.B. 1707 (March 25, 2000).)

**Fiscal Note:** 14-466. (1) General Fund;

|                                  | <i>Child Care Services (Federal)</i> |                            | <i>Cash Grants Program (Federal)</i> |                   |
|----------------------------------|--------------------------------------|----------------------------|--------------------------------------|-------------------|
| (2) Implementing Year            |                                      | 1999-00 is \$ 8.20 million |                                      | \$1.99 million    |
| (3) 1st Succeeding Year          |                                      | 2000-01 is \$32.7 million  |                                      | \$7.97 million    |
| 2nd Succeeding Year              |                                      | 2001-02 is \$32.70 million |                                      | \$7.97 million    |
| 3rd Succeeding Year              |                                      | 2002-03 is \$32.70 million |                                      | \$7.97 million    |
| 4th Succeeding Year              |                                      | 2003-04 is \$32.70 million |                                      | \$7.97 million    |
| 5th Succeeding Year              |                                      | 2004-05 is \$32.70 million |                                      | \$7.97 million    |
| <i>Child Care Services—State</i> |                                      | <i>Federal</i>             | <i>Cash Grants—State</i>             | <i>Federal</i>    |
| (4) 1998-1999                    | \$57.545 million                     | \$109.873 million          | \$259.688 million                    | \$537.333 million |
| 1997-1998                        | \$47.717 million                     | \$101.627 million          | \$373.388 million                    | \$500.059 million |
| 1996-1997                        | \$48.309 million                     | \$ 74.539 million          | \$523.236 million                    | \$496.892 million |

(7) Child Care Services (Federal) and Cash Grants Program (Federal); (8) recommends adoption. Funds are available in the Department's budget to meet this increase in cost.

**Annex A**

**TITLE 55. PUBLIC WELFARE**

**PART II. PUBLIC ASSISTANCE MANUAL**

**Subpart C. ELIGIBILITY REQUIREMENTS**

**CHAPTER 168. CHILD CARE**

**VERIFICATION**

**§ 168.41. Verification requirements.**

The applicant or recipient is required, as a condition of eligibility, to cooperate in providing necessary information and verification to establish eligibility.

(1) Before authorizing the initial child care payment, the CAO will determine the following:

(i) Whether the child care is necessary to participate in a work-related activity.

(ii) The expected charge.

(iii) The date the service is needed by the participant.

(iv) The date that payment for the service is required under the provider's usual payment policy or practice.

(2) When the parent/caretaker provides verification to the CAO that indicates a change in eligibility, payment will be reduced, terminated or increased, as appropriate, upon issuance of appropriate notice to the parent/caretaker, in accordance with §§ 133.4 and 168.101 (relating to procedures; and appeal and fair hearing).

(3) Child care costs shall be verified monthly on a form specified by the Department or by a written statement signed by the provider or by a collateral contact by the CAO and the child care provider.

(4) A collateral contact will be used whenever necessary to ensure that payment is made in advance of the date that payment is required by the child care provider consistent with § 168.1(b)(3) (relating to policy on payment of child care). When a child care allowance is authorized based on a collateral contact with or by a written statement from the provider, verification of the charge for child care on a form specified by the Department shall be submitted to the CAO within 30 days of the first day child care costs were incurred. The CAO will assist the client, as needed, to obtain a completed verification form from the provider. Failure to provide verification within the specified time period could result in nonauthorization of the child care payment.

(5) Verification of factors other than cost relating to the need for child care shall consist of collateral contacts with, or written statements from, employers, prospective employers, physicians, licensed psychologists, school offi-

cial, training providers, or pay stubs. Information previously verified need not be reverified unless it is subject to change.

**PAYMENT DETERMINATION**

**§ 168.74. Determining monthly child care co-payment.**

The co-payment is determined for a month, based upon gross monthly income and budget group size, using the co-payment sliding fee scale in Chapter 3040, Appendix B. Gross monthly income is determined based on anticipated or actual amounts as determined in accordance with Chapter 183 (relating to income).

(1) The co-payment is waived for the calendar month in which the first pay is received or until the date of discontinuance due to a prospective determination of ineligibility, in accordance with § 168.71 (relating to monthly payment determination). In the second month, the co-payment is determined using anticipated income, excluding the TANF grant as countable income.

(2) In the third month, the co-payment is determined using anticipated income and the TANF grant adjusted for earnings. This co-payment is used prospectively until the next redetermination, or the client requests a review of the co-payment amount, or there is a change in employment.

(3) If retroactive benefits are requested, the co-payment for each retroactive month will be determined using the actual income in the month of application.

**PART V. CHILDREN, YOUTH AND FAMILIES  
MANUAL**

**Subpart B. ELIGIBILITY FOR SERVICES**

**CHAPTER 3040. SUBSIDIZED CHILD DAY CARE  
ELIGIBILITY**

**INTRODUCTION**

**§ 3040.3. Definitions.**

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

\* \* \* \* \*

*Education program*—An elementary school, middle school or high school program including a General Equivalency Diploma (GED) program.

\* \* \* \* \*

**GENERAL REQUIREMENTS**

**§ 3040.28. Composition of a family.**

For the purpose of determining eligibility for child care subsidy, the following rules apply:

(1) A family includes the following individuals who live together:

(i) The child for whom subsidized child care is requested, the child's parent/caretaker.

(ii) The parent's/caretaker's spouse or live-in companion.

(iii) Biological, step or adoptive minor siblings of the child who are under 18 years of age, are not emancipated by marriage or by the court, or 18 years of age or older but under 22 years of age who are enrolled in a post-secondary program leading to a degree or diploma and who are wholly or partially dependent upon the income of the parent/caretaker and spouse or live-in companion of the parent/caretaker.

(iv) Biological, step or adoptive minor children of the parent/caretaker or live-in companion, or both.

(2) A foster child may be counted as either a separate family or as part of the foster family.

(3) A family whose parent/caretaker transfers from TANF is exempt from including the parent's/caretaker's live-in companion in the family for 6 months starting the day after the date TANF benefits end.

(4) An individual may not be included in more than one family unless the individual is a child who is in a shared custody arrangement and both families are seeking subsidized child care.

#### ELIGIBILITY REQUIREMENTS

##### § 3040.32. Financial eligibility.

(a) The parent/caretaker shall provide paystubs indicating gross earned income for any 4 consecutive weeks within the most recent 6-week period for employed family members.

(b) Family members unable to provide paystubs because of exceptional employment circumstances shall provide documentation of earned income as follows:

(1) If paystubs are not available at the time of application because the employed family member has not been employed for 4 weeks, written documentation of anticipated gross earned income from the employer is sufficient evidence of earnings. The documentation is satisfactory until, but not after, the family member is employed for 8 consecutive weeks, at which time the family member shall present the paystubs.

(2) If income is received in cash, written employer documentation of gross earned income for 4 consecutive weeks within the most recent 6-week period is sufficient documentation.

(c) The eligibility agent shall require, and the parent/caretaker shall provide, documentation of all unearned family income unless specifically excluded in Appendix A, Part III (relating to income exclusions). See Appendix A, Part I (relating to income inclusions) which lists the unearned income included when computing the adjusted monthly income.

(d) The parent/caretaker shall seek all available income listed in Appendix A, Part I, except cash assistance.

(e) The parent/caretaker shall document all income deductions listed in Appendix A, Part II (relating to income deductions).

(f) The family is ineligible for child care subsidy at initial determination of eligibility if the annual family income exceeds 200% of FPIG.

(g) The family is ineligible for child care subsidy at redetermination if the annual family income exceeds 235% of FPIG.

##### § 3040.34. Nonfinancial eligibility.

(a) A family shall meet the following nonfinancial eligibility conditions at each determination and redetermination of eligibility:

(1) The child shall need child care which coincides with the hours of the adult family members' employment or parent's education program.

(2) Each adult family member shall work for wages equal to or more than minimum wage. When calculating minimum wage, tips are included with hourly wages. The following groups of employees are exempt from the minimum wage requirement:

(i) Laborers on a farm.

(ii) Individuals granted a subminimum wage exception by the Department of Labor and Industry.

(3) Each adult family member shall have had at least 4 weeks of employment within the most recent 6-week period and shall work the number of hours required as follows. The eligibility agent may average the hours of employment in the 4-week period.

(i) The adult family members shall work at least 25 hours per week.

(ii) A parent/caretaker who transfers to the subsidized child care program from the TANF program shall be employed. The parent/caretaker has 6 months from the date his TANF benefits end to meet the requirement in subparagraph (i).

(iii) A parent under 22 years of age who is attending high school is exempt from work requirements.

(4) A parent who is under 18 years of age and who has not graduated from high school and does not have a GED shall be enrolled in an education program and attend on a full-time basis. Documentation of enrollment and attendance shall be on a form prescribed by the Department.

(5) The child shall need subsidized child care to permit uninterrupted sleep time necessary for the parent/caretaker to continue employment. The parent/caretaker shall document that the work shift ends between the hours of 2 a.m. and 9 a.m.

(6) A parent/caretaker shall certify that each child receiving subsidized child care has received age-appropriate immunizations or that each child is exempt from the immunization requirement based on the exceptions listed in § 3040.11(f) (relating to provision of subsidy). If the child does not have age-appropriate immunizations and is not exempt from immunization, the parent/caretaker has 90 days to obtain immunizations for the child and certify that the child has age-appropriate immunizations.

(b) A parent-caretaker shall provide the following documentation of nonfinancial eligibility for family members at the initial determination of eligibility:

(1) Proof that all family members are citizens of the United States, or aliens lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law. Proof may include a birth certificate, voter's registration card or a document provided by immigration and naturalization service.

(2) A Social Security number, or evidence of application for a Social Security number, for each family member.

(3) Written approval by the county children and youth agency who has responsibility for the foster child that the foster child may receive subsidized child care.

(4) Proof of employment for all employed family members, which shall be submitted on a form prescribed by the Department.

(5) Proof of self-employment may include a notarized statement of self-employment, or a statement signed by the self-employed family member in the presence of the eligibility agent, for all self-employed family members. The statement shall list the hours and days of self-employment and how often income is received.

(6) Consent for release of information, signed by each family member 18 years of age or older, which permits the eligibility agent and the Department or the Office of the Inspector General to obtain verification of eligibility information provided by the parent/caretaker.

(7) Proof that action has been taken to establish paternity and a child support order against any absent parent on behalf of a child for whom subsidized child care is sought, unless there is good cause for failing to do so as set forth in § 187.23 (relating to requirements). Proof of cooperation may include a court order or documentation from the domestic relations office. For the purpose of determining eligibility for subsidized child care under this chapter, the eligibility agent shall complete the responsibilities of the CAO as described in § 187.23. The requirements for applicants and recipients of cash, under § 187.23, apply to applicants and recipients of subsidized child care.

(c) A parent/caretaker shall provide identification which contains a photograph of himself to the eligibility agent at any face-to-face interview. Acceptable documents include:

- (1) An employer identification card.
- (2) A driver's license.
- (3) A military photoidentification card.
- (4) A passport.
- (5) Other verifiable photoidentification.

**§ 3040.35. Reporting changes.**

The parent/caretaker shall report financial or non-financial changes in the family to the eligibility agent within 10-calendar days following the date of the change. The parent/caretaker shall report all changes including the following:

- (1) Employment or self-employment, including changes in the days and hours worked.
- (2) Training status.
- (3) Family income, excluding an increase of earned income from employment or self-employment that is not a result of a change in employment.
- (4) Continuation or completion of an education program.
- (5) Marital status.
- (6) Family composition.
- (7) Maternity leave.
- (8) Temporary disability status.

(9) Layoffs or strikes.

(10) Change of address.

(11) Custody arrangement or foster care placement under a court order.

**§ 3040.38. Prospective employment or a prospective education program for new applicants.**

(a) A family in which an adult member has prospective employment or the parent has prospective enrollment in an education program as defined in § 3040.3 (relating to definitions) may be eligible for subsidized child care if the following requirements are met:

(1) The employment or education program begins within 30-calendar days following the date of application.

(2) Written verification of prospective employment or a prospective education program is provided on a form as prescribed by the Department.

(b) Subsidy may not begin until the parent/caretaker or his spouse or live-in companion begins employment or an education program.

(c) Eight weeks following enrollment of a child whose family was determined eligible based on the parent's/caretaker's or his spouse's or live-in companion's prospective employment or enrollment in an education program, the parent/caretaker shall provide verification of employment or participation in the education program for that 8-week period. Verification shall be on a form prescribed by the Department.

(d) If the parent/caretaker will not receive a payment from employment for more than 30 days from the starting date of employment, eligibility is established based on the anticipated income as estimated by the employer. Until payment for employment is received, the family is assessed the minimum co-payment for a family of its size. When payment for employment is received, the parent/caretaker shall notify the eligibility agent. Upon receipt of the payment notice from the parent/caretaker, the eligibility agent shall:

- (1) Complete a partial redetermination of eligibility within 10 days.
- (2) Adjust the family co-payment, if applicable, within 20 days.

(e) A parent/caretaker who has exhausted all available TANF benefits and who has not yet obtained employment may have 30 consecutive calendar days of subsidized child care to seek employment. The parent/caretaker shall request subsidized child care within 90 days following the date that TANF benefits ended.

**§ 3040.40. Child care subsidy available to attend training.**

(a) A family may qualify for subsidized child care for the hours the adult family member, or the parent who has graduated from high school or has a GED, is participating in a training program, if the following conditions are met:

(1) The adult family member or the parent meets the employment or education requirements in §§ 3040.32—3040.34 (relating to financial eligibility; self-employment; and nonfinancial eligibility).

(2) The training program is accredited by a State or National board of examiners or recognized by the Department.

(3) The training program provides skills that improve the employability of the individual for a particular job.

(b) A child may receive up to 12 additional hours of subsidized child care to coincide with the instructional hours that the adult family member, or parent who has graduated from high school or who has a GED, participates in a recognized training program.

**ELIGIBILITY DETERMINATION PROCESS**

**§ 3040.52. Eligibility agent responsibilities.**

\* \* \* \* \*

(d) *Suspended subsidy.* Child care subsidy may be suspended if a child is unable to attend the provider's child care program for more than 10 consecutive enrollment days and will be absent for no more than 90 consecutive calendar days. On the 91st day of consecutive absence, the child is no longer eligible for subsidy. Subsidy may be suspended for any of the following situations:

- (1) The child is visiting the noncustodial parent/caretaker.
- (2) The child is ill or hospitalized for 5 or more service days.
- (3) The child accompanies the parent/caretaker on a trip because of family illness or emergency, and the illness or emergency is documented.
- (4) The child remains at home with his parent/caretaker during family leave.
- (5) The child care provider is closed because of licensing requirements.
- (6) The child's needs cannot be met by the child care provider.
- (7) The child's needs cannot be met by the child care provider, and subsidized child care funds are not available for the child to receive service at an alternative provider.
- (8) The child's parent is on break from attendance at an education program.

\* \* \* \* \*

**CO-PAYMENT**

**§ 3040.63. Calculating a co-payment.**

(a) The determination of a family co-payment considers the following:

- (1) The family size and income.
- (2) The co-payment may not be less than \$5.
- (3) The family's annual co-payment may not exceed 11% 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 8% of the family's annual income.

(b) The eligibility agent shall determine a family's adjusted monthly income as follows:

(1) Determine the gross monthly income by using documentation of 4 consecutive weeks of income from employment within the most recent 6-week period. Include other sources of income in Appendix A, Part I (relating to sources of earned or unearned income to be included). Following is the conversion method to determine gross monthly income:

*Frequency of income*

- Daily
- Weekly
- Biweekly (every 2 weeks)
- Semimonthly (twice a month)
- Monthly
- Quarterly
- Annually
- Lump sum income

*Conversion method*

- Multiply the daily income by the number of work-days in a week, then multiply by 4.3
- Multiply by 4.3
- Divide by 2, then multiply by 4.3
- Multiply by 2 for monthly gross income.
- Use the figure given.
- Divide by 3.
- Divide by 12.
- Divide by 12.

(2) Determine the amount of the monthly income deductions listed in Appendix A, Part II.

(3) Determine the adjusted monthly income by subtracting the total monthly deductions from the total gross monthly income.

(4) Convert the adjusted monthly income to annual income by multiplying the adjusted monthly income by 12.

(c) If at initial application, the annual income for the family exceeds 200% of the FPIG or if at redetermination the annual income for the family exceeds 235% of the FPIG, the family is not eligible for subsidized child care.

(d) If the annual income for the family does not exceed 185% of the FPIG at initial determination of eligibility or does not exceed 235% of the FPIG at redetermination and the family is otherwise eligible, the eligibility agent shall determine the co-payment by using the co-payment chart in Appendix B. The co-payment as set forth in Appendix B is calculated in \$5 increments for each \$2,000 of annual income.

(e) If a family has only one child who is enrolled in school, including kindergarten, and who receives a total of fewer than 5 hours daily of before or after-school care, the family shall pay one-half the weekly amount derived from the chart in Appendix B.

(f) If the co-payment is equal to or exceeds the weekly reimbursement rate for care or if the Department's weekly payment to the provider would be less than \$5, the family is not eligible for child care subsidy with that provider.

**NOTIFICATION REQUIREMENTS**

**§ 3040.71. General requirements regarding notification.**

(a) The eligibility agent shall notify the parent/caretaker in writing of the results of the eligibility determination. Notification shall occur within 30-calendar days following the date the eligibility agent receives a signed and dated application from the parent/caretaker. The eligibility agent shall determine the family ineligible if the parent/caretaker does not provide all verification required to determine eligibility within 30-calendar days.

(b) The eligibility agent shall notify the parent/caretaker in writing of an eligibility determination which renders the family eligible for subsidy. The notification shall include the following:

- (1) The amount of the assessed co-payment.
- (2) The parent/caretaker responsibility to report changes in eligibility requirements cited in § 3040.35 (relating to reporting changes).



(3) The parent's/caretaker's right to appeal the decision and information about how to appeal.

(c) On a written notice form prescribed by the Department, the eligibility agent shall notify each parent/caretaker of a determination or redetermination resulting in ineligibility for subsidized child care.

(d) At least 10-calendar days before the action that adversely affects eligibility or the amount of the co-payment is effective, the eligibility agent shall hand deliver or mail the adverse action to the parent/caretaker. The 10-day period begins on the day following the day the written notice is postmarked or hand delivered to the parent/caretaker. The adverse action requirements relating to an overpayment are found in subsection (g).

(e) If the 10-day period ends on a holiday or a day when the eligibility agent is not open for business, the next business day is considered the 10th day.

(f) The eligibility agent shall, by written notice to the parent/caretaker, confirm the parent's/caretaker's voluntary withdrawal of a child from subsidized child care.

(g) The eligibility agent shall notify the parent/caretaker in writing of an overpayment. The notification may also include a notice of adverse action if the overpayment affects the amount of the co-payment or results in suspension or termination. The notice shall include the following:

- (1) The reason for the overpayment.
- (2) The period of the overpayment.
- (3) The amount of the overpayment.
- (4) The repayment methods as listed in § 3040.93 (relating to repayment).

(5) The right to request a Departmental fair hearing on the overpayment amount.

**APPENDIX A**

**EARNED OR UNEARNED INCOME TO BE INCLUDED, DEDUCTED AND EXCLUDED IN DETERMINING GROSS MONTHLY INCOME**

\* \* \* \* \*

*PART II. INCOME DEDUCTIONS.*

The following are deducted when determining adjusted monthly income:

A. Voluntary or court-ordered support paid by the parent/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/caretaker or family member to a person not residing in the same household.

C. A medical expense not reimbursed through medical insurance which 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/caretaker notifies the eligibility agent 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.

*PART III. INCOME EXCLUSIONS.*

**APPENDIX B**

**CO-PAYMENT CHART**

**FAMILY CO-PAYMENT SCALE**

(BASED ON THE 2000 FEDERAL POVERTY INCOME GUIDELINES)

| <i>Weekly Co-pay</i> | <i>Family Size: 1 Annual Income</i> |          | <i>Family Size: 2 Annual Income</i> |          | <i>Family Size: 3 Annual Income</i> |          |
|----------------------|-------------------------------------|----------|-------------------------------------|----------|-------------------------------------|----------|
| \$5                  | Less than:                          | \$8,350  | Less than:                          | \$9,250  | Less than:                          | \$10,150 |
| \$10                 | \$8,350.01                          | \$10,350 | \$9,250.01                          | \$11,250 | \$10,150.01                         | \$12,150 |
| \$15                 | \$10,350.01                         | \$12,350 | \$11,250.01                         | \$13,250 | \$12,150.01                         | \$14,150 |
| \$20                 | \$12,350.01                         | \$14,350 | \$13,250.01                         | \$15,250 | \$14,150.01                         | \$16,150 |
| \$25                 | \$14,350.01                         | \$16,350 | \$15,250.01                         | \$17,250 | \$16,150.01                         | \$18,150 |
| \$30                 | \$16,350.01                         | \$18,350 | \$17,250.01                         | \$19,250 | \$18,150.01                         | \$20,150 |
| \$35                 | \$18,350.01                         | \$19,623 | \$19,250.01                         | \$21,250 | \$20,150.01                         | \$22,150 |
| \$40                 |                                     |          | \$21,250.01                         | \$23,250 | \$22,150.01                         | \$24,150 |
| \$45                 |                                     |          | \$23,250.01                         | \$25,250 | \$24,150.01                         | \$26,150 |
| \$50                 |                                     |          | \$25,250.01                         | \$26,438 | \$26,150.01                         | \$28,150 |
| \$55                 |                                     |          |                                     |          | \$28,150.01                         | \$30,150 |
| \$60                 |                                     |          |                                     |          | \$30,150.01                         | \$32,150 |
| \$65                 |                                     |          |                                     |          | \$32,150.01                         | \$33,253 |
|                      | 200% FPIG                           | \$16,700 | 200% FPIG                           | \$22,500 | 200% FPIG                           | \$28,300 |

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| <i>Weekly<br/>Co-pay</i> | <i>Family Size: 4<br/>Annual Income</i> |          | <i>Family Size: 5<br/>Annual Income</i> |          | <i>Family Size: 6<br/>Annual Income</i> |          |
|--------------------------|---|----------|---|----------|---|----------|
|                          |   |          |   |          |   |          |
| \$5                      | Less than:                              | \$11,050 | Less than:                              | \$11,950 | Less than:                              | \$12,850 |
| \$10                     | \$11,050.01                             | \$13,050 | \$11,950.01                             | \$13,950 | \$12,850.01                             | \$14,850 |
| \$15                     | \$13,050.01                             | \$15,050 | \$13,950.01                             | \$15,950 | \$14,850.01                             | \$16,850 |
| \$20                     | \$15,050.01                             | \$17,050 | \$15,950.01                             | \$17,950 | \$16,850.01                             | \$18,850 |
| \$25                     | \$17,050.01                             | \$19,050 | \$17,950.01                             | \$19,950 | \$18,850.01                             | \$20,850 |
| \$30                     | \$19,050.01                             | \$21,050 | \$19,950.01                             | \$21,950 | \$20,850.01                             | \$22,850 |
| \$35                     | \$21,050.01                             | \$23,050 | \$21,950.01                             | \$23,950 | \$22,850.01                             | \$24,850 |
| \$40                     | \$23,050.01                             | \$25,050 | \$23,950.01                             | \$25,950 | \$24,850.01                             | \$26,850 |
| \$45                     | \$25,050.01                             | \$27,050 | \$25,950.01                             | \$27,950 | \$26,850.01                             | \$28,850 |
| \$50                     | \$27,050.01                             | \$29,050 | \$27,950.01                             | \$29,950 | \$28,850.01                             | \$30,850 |
| \$55                     | \$29,050.01                             | \$31,050 | \$29,950.01                             | \$31,950 | \$30,850.01                             | \$32,850 |
| \$60                     | \$31,050.01                             | \$33,050 | \$31,950.01                             | \$33,950 | \$32,850.01                             | \$34,850 |
| \$65                     | \$33,050.01                             | \$35,050 | \$33,950.01                             | \$35,950 | \$34,850.01                             | \$36,850 |
| \$70                     | \$35,050.01                             | \$37,050 | \$35,950.01                             | \$37,950 | \$36,850.01                             | \$38,850 |
| \$75                     | \$37,050.01                             | \$39,050 | \$37,950.01                             | \$39,950 | \$38,850.01                             | \$40,850 |
| \$80                     | \$39,050.01                             | \$40,068 | \$39,950.01                             | \$41,950 | \$40,850.01                             | \$42,850 |
| \$85                     |   |          | \$41,950.01                             | \$43,950 | \$42,850.01                             | \$44,850 |
| \$90                     |   |          | \$43,950.01                             | \$45,950 | \$44,850.01                             | \$46,850 |
| \$95                     |   |          | \$45,950.01                             | \$46,883 | \$46,850.01                             | \$48,850 |
| \$100                    |   |          |   |          | \$48,850.01                             | \$50,850 |
| \$105                    |   |          |   |          | \$50,850.01                             | \$52,850 |
| \$110                    |   |          |   |          | \$52,850.01                             | \$53,698 |
|                          | 200% FPIG                               | \$34,100 | 200% FPIG                               | \$39,900 | 200% FPIG                               | \$45,700 |
| <i>Weekly<br/>Co-pay</i> | <i>Family Size: 7<br/>Annual Income</i> |          | <i>Family Size: 8<br/>Annual Income</i> |          | <i>Family Size: 9<br/>Annual Income</i> |          |
|                          |   |          |   |          |   |          |
| \$5                      | Less than:                              | \$13,750 | Less than:                              | \$16,650 | Less than:                              | \$17,550 |
| \$10                     | \$13,750.01                             | \$15,750 | \$16,650.01                             | \$18,650 | \$17,550.01                             | \$19,550 |
| \$15                     | \$15,750.01                             | \$17,750 | \$18,650.01                             | \$20,650 | \$19,550.01                             | \$21,550 |
| \$20                     | \$17,750.01                             | \$19,750 | \$20,650.01                             | \$22,650 | \$21,550.01                             | \$23,550 |
| \$25                     | \$19,750.01                             | \$21,750 | \$22,650.01                             | \$24,650 | \$23,550.01                             | \$25,550 |
| \$30                     | \$21,750.01                             | \$23,750 | \$24,650.01                             | \$26,650 | \$25,550.01                             | \$27,550 |
| \$35                     | \$23,750.01                             | \$25,750 | \$26,650.01                             | \$28,650 | \$27,550.01                             | \$29,550 |
| \$40                     | \$25,750.01                             | \$27,750 | \$28,650.01                             | \$30,650 | \$29,550.01                             | \$31,550 |
| \$45                     | \$27,750.01                             | \$29,750 | \$30,650.01                             | \$32,650 | \$31,550.01                             | \$33,550 |
| \$50                     | \$29,750.01                             | \$31,750 | \$32,650.01                             | \$34,650 | \$33,550.01                             | \$35,550 |
| \$55                     | \$31,750.01                             | \$33,750 | \$34,650.01                             | \$36,650 | \$35,550.01                             | \$37,550 |
| \$60                     | \$33,750.01                             | \$35,750 | \$36,650.01                             | \$38,650 | \$37,550.01                             | \$39,550 |
| \$65                     | \$35,750.01                             | \$37,750 | \$38,650.01                             | \$40,650 | \$39,550.01                             | \$41,550 |
| \$70                     | \$37,750.01                             | \$39,750 | \$40,650.01                             | \$42,650 | \$41,550.01                             | \$43,550 |
| \$75                     | \$39,750.01                             | \$41,750 | \$42,650.01                             | \$44,650 | \$43,550.01                             | \$45,550 |
| \$80                     | \$41,750.01                             | \$43,750 | \$44,650.01                             | \$46,650 | \$45,550.01                             | \$47,550 |
| \$85                     | \$43,750.01                             | \$45,750 | \$46,650.01                             | \$48,650 | \$47,550.01                             | \$49,550 |
| \$90                     | \$45,750.01                             | \$47,750 | \$48,650.01                             | \$50,650 | \$49,550.01                             | \$51,550 |

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| <i>Weekly Co-pay</i> | <i>Family Size: 7<br/>Annual Income</i>  |             | <i>Family Size: 8<br/>Annual Income</i>  |             | <i>Family Size: 9<br/>Annual Income</i>  |             |
|----------------------|--|-------------|--|-------------|--|-------------|
|                      | \$95                                     | \$47,750.01 | \$49,750                                 | \$50,650.01 | \$52,650                                 | \$51,550.01 |
| \$100                | \$49,750.01                              | \$51,750    | \$52,650.01                              | \$54,650    | \$53,550.01                              | \$55,550    |
| \$105                | \$51,750.01                              | \$53,750    | \$54,650.01                              | \$56,650    | \$55,550.01                              | \$57,550    |
| \$110                | \$53,750.01                              | \$55,750    | \$56,650.01                              | \$58,650    | \$57,550.01                              | \$59,550    |
| \$115                | \$55,750.01                              | \$57,750    | \$58,650.01                              | \$60,650    | \$59,550.01                              | \$61,550    |
| \$120                | \$57,750.01                              | \$59,750    | \$60,650.01                              | \$62,650    | \$61,550.01                              | \$63,550    |
| \$125                | \$59,750.01                              | \$60,513    | \$62,650.01                              | \$64,650    | \$63,550.01                              | \$65,550    |
| \$130                |  |             | \$64,650.01                              | \$66,650    | \$65,550.01                              | \$67,550    |
| \$135                |  |             | \$66,650.01                              | \$67,328    | \$67,550.01                              | \$69,550    |
| \$140                |  |             |  |             | \$69,550.01                              | \$71,550    |
| \$145                |  |             |  |             | \$71,550.01                              | \$73,550    |
|                      |  |             |  |             | \$73,550.01                              | \$74,143    |
|                      | 200% FPIG                                | \$51,500    | 200% FPIG                                | \$57,300    | 200% FPIG                                | \$63,100    |
| <i>Weekly Co-pay</i> | <i>Family Size: 10<br/>Annual Income</i> |             | <i>Family Size: 11<br/>Annual Income</i> |             | <i>Family Size: 12<br/>Annual Income</i> |             |
|                      | \$5                                      | Less than:  | \$18,450                                 | Less than:  | \$19,350                                 | Less than:  |
| \$10                 | \$18,450.01                              | \$20,450    | \$19,350.01                              | \$21,350    | \$20,250.01                              | \$22,250    |
| \$15                 | \$20,450.01                              | \$22,450    | \$21,350.01                              | \$23,350    | \$22,250.01                              | \$24,250    |
| \$20                 | \$22,450.01                              | \$24,450    | \$23,350.01                              | \$25,350    | \$24,250.01                              | \$26,250    |
| \$25                 | \$24,450.01                              | \$26,450    | \$25,350.01                              | \$27,350    | \$26,250.01                              | \$28,250    |
| \$30                 | \$26,450.01                              | \$28,450    | \$27,350.01                              | \$29,350    | \$28,250.01                              | \$30,250    |
| \$35                 | \$28,450.01                              | \$30,450    | \$29,350.01                              | \$31,350    | \$30,250.01                              | \$32,250    |
| \$40                 | \$30,450.01                              | \$32,450    | \$31,350.01                              | \$33,350    | \$32,250.01                              | \$34,250    |
| \$45                 | \$32,450.01                              | \$34,450    | \$33,350.01                              | \$35,350    | \$34,250.01                              | \$36,250    |
| \$50                 | \$34,450.01                              | \$36,450    | \$35,350.01                              | \$37,350    | \$36,250.01                              | \$38,250    |
| \$55                 | \$36,450.01                              | \$38,450    | \$37,350.01                              | \$39,350    | \$38,250.01                              | \$40,250    |
| \$60                 | \$38,450.01                              | \$40,450    | \$39,350.01                              | \$41,350    | \$40,250.01                              | \$42,250    |
| \$65                 | \$40,450.01                              | \$42,450    | \$41,350.01                              | \$43,350    | \$42,250.01                              | \$44,250    |
| \$70                 | \$42,450.01                              | \$44,450    | \$43,350.01                              | \$45,350    | \$44,250.01                              | \$46,250    |
| \$75                 | \$44,450.01                              | \$46,450    | \$45,350.01                              | \$47,350    | \$46,250.01                              | \$48,250    |
| \$80                 | \$46,450.01                              | \$48,450    | \$47,350.01                              | \$49,350    | \$48,250.01                              | \$50,250    |
| \$85                 | \$48,450.01                              | \$50,450    | \$49,350.01                              | \$51,350    | \$50,250.01                              | \$52,250    |
| \$90                 | \$50,450.01                              | \$52,450    | \$51,350.01                              | \$53,350    | \$52,250.01                              | \$54,250    |
| \$95                 | \$52,450.01                              | \$54,450    | \$53,350.01                              | \$55,350    | \$54,250.01                              | \$56,250    |
| \$100                | \$54,450.01                              | \$56,450    | \$55,350.01                              | \$57,350    | \$56,250.01                              | \$58,250    |
| \$105                | \$56,450.01                              | \$58,450    | \$57,350.01                              | \$59,350    | \$58,250.01                              | \$60,250    |
| \$110                | \$58,450.01                              | \$60,450    | \$59,350.01                              | \$61,350    | \$60,250.01                              | \$62,250    |
| \$115                | \$60,450.01                              | \$62,450    | \$61,350.01                              | \$63,350    | \$62,250.01                              | \$64,250    |
| \$120                | \$62,450.01                              | \$64,450    | \$63,350.01                              | \$65,350    | \$64,250.01                              | \$66,250    |
| \$125                | \$64,450.01                              | \$66,450    | \$65,350.01                              | \$67,350    | \$66,250.01                              | \$68,250    |
| \$130                | \$66,450.01                              | \$68,450    | \$67,350.01                              | \$69,350    | \$68,250.01                              | \$70,250    |
| \$135                | \$68,450.01                              | \$70,450    | \$69,350.01                              | \$71,350    | \$70,250.01                              | \$72,250    |
| \$140                | \$70,450.01                              | \$72,450    | \$71,350.01                              | \$73,350    | \$72,250.01                              | \$74,250    |

## RULES AND REGULATIONS

| <i>Weekly<br/>Co-pay</i> | <i>Family Size: 10<br/>Annual Income</i> |          | <i>Family Size: 11<br/>Annual Income</i> |          | <i>Family Size: 12<br/>Annual Income</i> |          |
|--------------------------|--|----------|--|----------|--|----------|
|                          |  |          |  |          |  |          |
| \$145                    | \$72,450.01                              | \$74,450 | \$73,350.01                              | \$75,350 | \$74,250.01                              | \$76,250 |
| \$150                    | \$74,450.01                              | \$76,450 | \$75,350.01                              | \$77,350 | \$76,250.01                              | \$78,250 |
| \$155                    | \$76,450.01                              | \$78,450 | \$77,350.01                              | \$79,350 | \$78,250.01                              | \$80,250 |
| \$160                    | \$78,450.01                              | \$80,450 | \$79,350.01                              | \$81,350 | \$80,250.01                              | \$82,250 |
| \$165                    | \$80,450.01                              | \$80,958 | \$81,350.01                              | \$83,350 | \$82,250.01                              | \$84,250 |
| \$170                    |  |          | \$83,350.01                              | \$85,350 | \$84,250.01                              | \$86,250 |
| \$175                    |  |          | \$85,350.01                              | \$87,350 | \$86,250.01                              | \$88,250 |
| \$180                    |  |          | \$87,350.01                              | \$87,773 | \$88,250.01                              | \$90,250 |
| \$185                    |  |          |  |          | \$90,250.01                              | \$92,250 |
| \$190                    |  |          |  |          | \$92,250.01                              | \$94,250 |
|                          |  |          |  |          | \$94,250.01                              | \$94,588 |
|                          | 200% FPIG                                | \$68,900 | 200% FPIG                                | \$74,700 | 200% FPIG                                | \$80,500 |

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