

October 2, 2019



Budget Primer

Department of Human Services

Office of Income Maintenance

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The Department of Human Services' Office of Income Maintenance administers programs designed to provide temporary assistance to needy families in the commonwealth while also furnishing resources to promote self-sufficiency. Programs under OIM are substantially federally funded, with state General Fund dollars comprising just over 25 percent of total spending in the 2019/20 budget.

Act 1A of 2019 (amounts in thousands)	State Funds	Federal Funds	Other Funds	TOTAL FUNDS
County Administration (Statewide)	\$46,813	\$117,996	\$2,248	\$167,057
County Assistance Offices	\$255,350	\$458,193	\$0	\$713,543
Child Support Enforcement	\$16,298	\$156,738	\$12,163	\$185,199
New Directions	\$15,682	\$140,851	\$0	\$156,533
Cash Grants	\$18,287	\$393,442	\$0	\$411,729
Supplemental Grants - Aged, Blind, and Disabled	\$123,600	\$0	\$0	\$123,600
TOTAL	\$476,030	\$1,267,220	\$14,411	\$1,757,661

County Administration

The county administration appropriation partially funds operations of several DHS headquarters and field offices. In addition to OIM's administrative costs, this appropriation covers costs associated with the offices of Medical Assistance Programs, Long-Term Living, Mental Health and Substance Abuse Services, and Administration.

Administrative expenses associated with the SNAP, TANF, and MA programs are partially funded through federal appropriations under county administration.

County Assistance Offices

Pennsylvania has 96 county assistance offices that serve as the primary point of contact between Pennsylvanians and the Department of Human Services. CAOs are in each of the commonwealth's 67 counties and, combined, they serve 3.25 million individuals per month.

County assistance offices determine program eligibility and perform ongoing case management for:

- Temporary Assistance for Needy Families (TANF)
- Low Income Home Energy Assistance Program (LIHEAP)
- Medical Assistance (MA)
- Supplemental Nutrition Assistance Program (SNAP)

Cash Assistance

Temporary Assistance for Needy Families

TANF is Pennsylvania's largest cash assistance program and is mostly restricted to pregnant women, households with dependent children, or minor children. Individuals without dependent children are ineligible for cash assistance. TANF benefits vary based on family size and county of residence, but the statewide average is \$145 per month. Eligible households must also meet one of the following criteria:

- Absence of one parent,
- Unemployment of one or both parents, or the
- Disability of one or both parents.

In addition, TANF has an asset test that limits the program to households with no more than \$1,000 in countable resources like automobiles and bank accounts.



Welfare Reform

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is the federal legislation that ended traditional welfare – Aid to Families with Dependent Children (AFDC) – and replaced it with TANF block grants to states for time-limited assistance to needy families. Act 35 of 1996, an omnibus amendment to the Human Services Code (then known as the Public Welfare Code) effectuated the program changes made by the Personal Responsibility and Work Opportunity Reconciliation Act, commonly referred to as welfare reform.

TANF block grants are not adjusted for either inflation or caseload, and Pennsylvania’s annual block grant has been unchanged at \$719 million since 1996. To continue receiving TANF block grant funds from the federal government, states must meet a “maintenance of effort” (MOE) requirement, which mandates that states spend a certain amount of their own funds on approved activities.

The Deficit Reduction Act of 2005 reauthorized TANF while requiring states to impose additional work requirements on recipients.

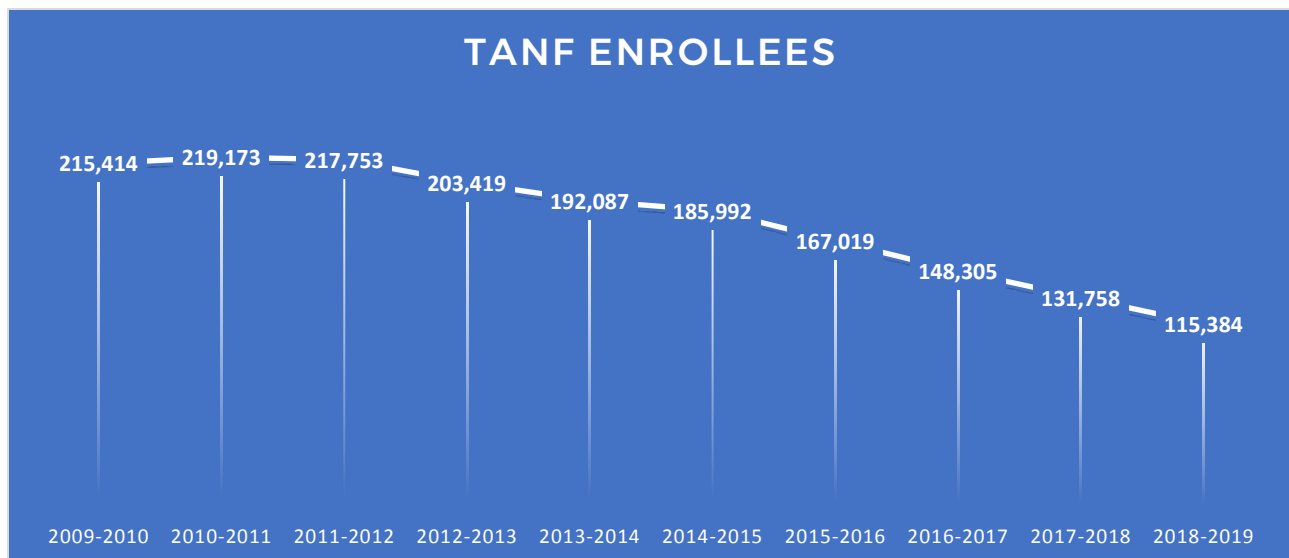
To be eligible for cash assistance, adult recipients must seek, accept, and maintain employment. If unable to secure employment, recipients must participate in job training, education, or similar activities. Once an adult recipient has been on cash assistance for 24 months, he or she must spend at least 20 hours per week on the following activities:

- Subsidized employment,
- Work experience,
- On-the-job training,
- Community service, and
- Workfare.

Exemptions from work requirements may be granted if a recipient:

- Has a medically documented temporary or permanent disability (mental or physical) that prevents him or her from working,
- Is a minor parent under the age of 18,
- Is a single custodial parent of children under the age of six with no available child care, or
- Is a single custodial parent caring for a child under age one.

Assistance under TANF is subject to a lifetime total of 60 months. The implementation on lifetime enrollment limits has caused the number of enrollees in Pennsylvania to fall over time, a trend that continues. As of July 2019, 109,403 Pennsylvania households are enrolled in TANF.



The lifetime limit on TANF enrollment does have some exceptions. The lifetime limit does not apply in “child-only” cases, in which a minor child is the recipient of assistance while being cared for by a non-parental guardian such as a grandparent. There are also hardship exemptions to the 60-month limit, though hardship exemptions are capped at 20 percent of cases.

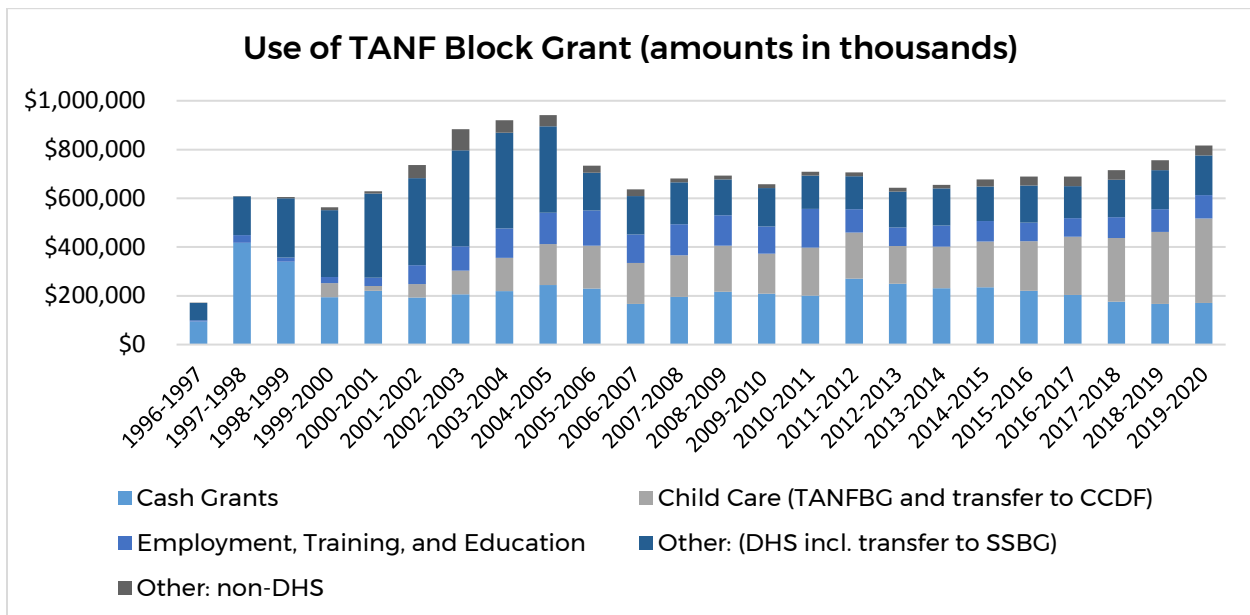
In some situations, Pennsylvania allows for a “TANF Time-Out” that allows recipients to continue receiving assistance without it counting towards their lifetime limit. This is generally limited to individuals who are doing more than minimum work requirements. Victims of domestic violence and adults caring for related minor children are also eligible. Assistance delivered under TANF Time-Out is funded entirely by state dollars.

Pennsylvania also has an Extended TANF program for adult recipients who agree to participate in approved activities intended to promote self-sufficiency. Recipients may also qualify for Extended TANF if they are a victim of domestic violence, are a caretaker for a disabled person, have an infant under the age of twelve months, or have a physical or mental condition that prevents them from working.

States also face federal requirements in the administration of their TANF program to continue receiving block grants. One requirement applies to all families receiving assistance and specifies that 50 percent of all TANF families must be working at least 30 hours. Another requirement applies only to two-parent TANF families, 90 percent of whom must be working 35 hours per week or 55 hours per week if they also receive federally funded child care. If states fail to meet either of these requirements, their block grant allocations will be reduced.

TANF block grant funds may be used for purposes beyond direct cash assistance, including employment and training support, child care, and other services for needy families. Up to 30 percent of a state’s TANF funds may be transferred to the Child Care and Development Fund (CCDF) and the Social Services Block Grant (SSBG). Furthermore, TANF funds may be used for the following other purposes that reasonably address the broad goals set forth in the Personal Responsibility and Work Opportunity Reconciliation Act:

- Provide assistance to needy families so children may be cared for in their own homes or in the homes of relatives,
- End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage,
- Prevent and reduce the incidence of out-of-wedlock pregnancies, and
- Encourage the formation and maintenance of two-parent families.



Over time, the uses of TANF block grant funds in Pennsylvania has evolved. For the first several years of the block grant, Pennsylvania did not spend its entire allocation, building up excess spending authority, which was drawn down in the mid-2000s. Pennsylvania has also increasing directed its TANF block grant allocations toward subsidized child care programs.



Supplemental Grants

The Supplemental Security Income (SSI) program was established in 1974 under the Social Security Administration to provide financial assistance to elderly individuals or those with disabilities. The federal government also gave states the option to provide supplemental payments to SSI recipients from state funds, which Pennsylvania has exercised. Approximately 360,000 Pennsylvanians receive supplemental cash grants that average \$28 per month.

State Blind Pensions

Pennsylvania administers a program that provides small cash pensions to visually impaired adults. The program only covers approximately 126 individuals who receive monthly payments of \$99.

General Assistance

General Assistance cash grants was a program for some of Pennsylvania's neediest residents, including the disabled, those in drug treatment programs, and victims of domestic violence. GA enrollees received small cash grants – approximately \$200 per month – to cover basic needs.

Act 80 of 2013 (an omnibus Human Services Code amendment), among other things, repealed the GA program. At the time of the repeal, nearly 70,000 Pennsylvanians were enrolled. In 2018, a legal challenge to Act 80 reached the Pennsylvania Supreme Court, which ruled the General Assembly had violated its rules in passing the law and overturned Act 80. Governor Wolf then reinstated the GA program.

Act 12 of 2019 once again repealed the GA program, which ceased making payments in August 2019. Slightly more than 12,000 individuals were enrolled in GA when benefit payments ceased.

Other Income Supports

Supplemental Nutritional Assistance Program

Known as the Food Stamp Program until being renamed by the Food, Conservation, and Energy Act of 2008 (the U.S. Farm Bill) as the Supplemental Nutritional Assistance Program, SNAP provides food-purchasing assistance to low-income individuals and families.

The Office of Income Management administers the SNAP federal benefit, of which more than 1.7 million Pennsylvanians are recipients.

Low Income Home Energy Assistance Program

The Low Income Home Energy Assistance Program – established under Title XXVI of Public Law 79-35 – assists low-income families with paying their energy bills. To qualify for LIHEAP, which is funded by federal block grant dollars, one must be a Pennsylvania resident and be responsible for home heating costs. The program also has an income threshold based on federal poverty guidelines and family size.

LIHEAP cash grants can pay for heating costs irrespective of fuel type and are available to homeowners and renters. Household size, household income, average fuel cost, and geographic location determine grant amounts, which range from \$200 to \$1,000 per year. Crisis grants are available in some circumstances, for example in the case of a utility shut-off. DHS provided \$155.43 million in LIHEAP grants through 2018/19.

Approximately 15 percent of federal LIHEAP block grant funds are appropriated for home weatherization projects, but the Department of Community and Economic Development, rather than the Department of Human Services, administers that program.

Child Support Enforcement

The Bureau of Child Support Enforcement administers the Pennsylvania child support program in accordance with Title IV-D of the Social Security Act. DHS has cooperative agreements with county commissions and county courts of common pleas. The DHS appropriation for Child Support Enforcement funds the administration of the program at the county level. The vast majority of funding comes from federal funds, with smaller contributions from the state General Fund and augmentations from retained child support collections.



Court-ordered child support payments are required by federal and state law to be collected by and assigned to the department for custodial parents and children receiving cash assistance.

Employment Training and Services

New Directions

The Office of Income Maintenance is responsible for administering career-training and development programs intended to increase self-sufficiency and reduce the number of individuals requiring government assistance. The New Directions appropriation, which heavily relies on federal block grant dollars - particularly from the TANF block grant-funds these programs. CAOs directly manage some of these programs, while others are delivered by employment and training contractors throughout the state.

Among the employment and training programs managed or funded by OIM are:

- The Employment Advancement Retention Network (EARN) provides comprehensive services for TANF recipients,
- Keystone Education Yields Success (KEYS) is a collaboration with the Pennsylvania State System of Higher Education and helps TANF and SNAP recipients attend and successfully complete coursework at community colleges, and
- Education Leading to Employment and Career Training (ELECT) helps young parents complete their high school education or GED.

