

Enacted 2012-13 Budget Fact Sheet: Welfare Code Bill Adds Work Requirement for Parents with High Health Needs, Punitive Job Search Requirements for TANF

The Welfare Code bill that was adopted by the General Assembly on June 30 eliminated the General Assistance Program, affecting close to 69,000 vulnerable Pennsylvanians, and included other provisions that will make it harder for low-income individuals with high health needs to access health care services and for low-income mothers to find work.

For the second year, major policy changes were proposed within the last 48 hours of the legislative session with no public hearings and little scrutiny — all in an effort to pass an “on time” state budget.

House Bill 1261 was adopted, after much debate, by a vote of 102-91, with all Democrats and five Republicans voting against the bill. Governor Corbett signed it into law as Act 80 of 2012.

The following is a brief overview of changes to benefit programs enacted in HB 1261 (Act 80).

General Assistance

Act 80 terminates the General Assistance Program, as of August 1, 2012. It provides a temporary \$205 monthly benefit to 68,887 Pennsylvanians who are sick, disabled or escaping an abuser.

Medical Assistance

General Assistance-related Medical Assistance is continued under the law, but the law authorizes new restrictions on eligibility and new work requirements for the categorically needy program, although those are not delineated in the bill. The Department of Public Welfare (DPW) intends to institute a new form to establish disability for individuals receiving GA-related Medical Assistance, the details of which have yet to be finalized.

The law adds a new work requirement for parents who have children living at home who receive Medical Assistance under the Medically Needy Only category.

Under current law, MA is available for low-income children, seniors, and people with certain disabilities who are Categorically Eligible.

Individuals who have very high health care costs that significantly reduce their income are eligible for Medical Assistance under the Medically Needy Only category if they are children under 21, the custodial

parent of a child under 21 years, are over the age of 59, pregnant, or are disabled and receiving or applying for federal Supplemental Security Income (SSI) benefits.

Individuals without children who work at least 100 hours a month at minimum wage may also be eligible. The Welfare Code bill adds this work requirement of 100 hours per month earning at least minimum wage to custodial parents, which will affect as many as 15,000 parents.

The change will make many parents ineligible for health coverage as their income will be higher than allowed under the program. Only those with very high health care expenses will be able to retain their health care benefits. This change will make it much harder for individuals with chronic diseases, cancer diagnoses, or other debilitating medical conditions to maintain health care services.

TANF

Act 80 sets up a new job search requirement for women applying for benefits through Temporary Assistance for Needy Families (TANF). Currently, an individual who applies for TANF benefits (\$407 per month for a family of three) is required to begin a job search when an application for benefits is approved and the individual has access to supports that assist in finding employment, including child care and transportation assistance.

The new rules require individuals to apply for at least three jobs per week while their applications are pending, and without the work supports that help to make a job search meaningful and successful. Welfare reform laws first enacted in 1996 established a framework that limited welfare benefits to no more than 5 years over a lifetime, while providing supports for low-income mothers looking for work. The new rules would upset this bargain, denying supports that research demonstrates help women secure jobs and keep them.

The implementation of this new job search requirement has raised many questions that have yet to be addressed

Act 80 also changes the system of sanctions for non-compliance with rules associated with receipt of welfare benefits. Current practice limits full family sanctions to individuals who have received TANF benefits for more than 24 months. The new system applies both individual and full family sanctions regardless of how long an individual has received benefits.

Sanction rules:

- First sanction: 30 day sanction for the individual and after 90 days the family is disqualified.
- Second sanction: 60 day sanction for the individual then the family is disqualified.
- Third sanction: The entire family is permanently disqualified.

The Pennsylvania Budget and Policy Center is a non-partisan policy research project that provides independent, credible analysis on state tax, budget and related policy matters, with attention to the impact of current or proposed policies on working families.