

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 19*

Short Title: 1995 Welfare Reform.

(Public)

Sponsors: Representatives Redwine, Cunningham, H. Hunter, Richardson; Crawford, Hensley, and Hill.

Referred to: Welfare Reform and Human Resources.

January 26, 1995

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE 1995 NORTH CAROLINA WELFARE REFORM ACT.

The General Assembly of North Carolina enacts:

Section 1. Article 2 of Chapter 108A of the General Statutes is amended by adding a new Part to read:

"PART 1A. THE 1995 NORTH CAROLINA WELFARE REFORM ACT.

"§ 108A-26.10. Goal of Welfare Reform.

Welfare Reform should aim at moving people permanently from the welfare dependency cycle to work and self-sufficiency. In so doing, it should treat all people fairly and promote individual and family responsibility, family stability, dignity, and self-respect. It should focus on the well-being and development of children into self-sufficient adults and should be administered in a fiscally responsible manner. The agreement should also recognize that some people are not capable of total, permanent self-sufficiency but may be moved toward relatively independent living.

"§ 108A-26.11. Methodology of Welfare Reform; agreement between recipient and service provider; agreement specifics.

(a) The Department of Human Resources shall ensure that every family receiving assistance shall participate in forming, and shall formally consent to, an agreement with

1 the State and with the local social services agency, with the local agency acting for the
2 State. This agreement shall specify all services and benefits to be provided the family to
3 facilitate moving the family to permanent self-sufficiency. If the director of the local
4 social services agency determines that the recipient is not capable of eventual total,
5 permanent self-sufficiency, the agreement shall specify how the recipient may be
6 advanced toward relatively independent living. The agreement shall, further, contain all
7 other conditions, such as benefits limitations and any sanctions that shall be imposed for
8 noncompliance. In developing the agreement, the local agency and the family shall focus
9 on the family. The Department shall ensure that all agreement provisions required of all
10 recipients in this Part are enforced and that all agreement provision of services and
11 programs are provided by the appropriate State or local agency.

12 (b) All agreements shall include requirements for work, job training, and
13 education, if needed. Specific provisions that shall be available for all families if they are
14 needed include work/training requirements and child care and specific limitations and
15 sanctions. The local social services agency may tailor other services, benefits, and
16 sanctions for each family in a way best suited to achieve the goal of permanent self-
17 sufficiency. All locally tailored limits and sanctions shall be set and applied in a manner
18 consistent with equal protection across localities, due process, and general equity.

19 (c) If an agreement has not been entered into and signed by the recipient within 12
20 weeks of the recipient's application for assistance, the local social services agency shall
21 terminate all benefits unless the caseworker and director determine that extenuating
22 circumstances exist that warrant this delay. In no event shall this extension extend for
23 longer than four additional weeks.

24 If the appropriate caseworker and director of the local social services agency
25 determines that a recipient willfully fails to comply with the signed agreement after this
26 agreement has been in effect for at least three months, the local social services agency
27 shall terminate all the recipient's benefits. If the recipient has failed to comply with the
28 agreement because specified services to be provided by the local social services agency
29 or the State were not available or were not accessible, the recipient's benefits shall not be
30 terminated.

31 The Department of Human Resources shall ensure that all the recipient's appropriate
32 due process requirements are met in regard to termination of benefits ensuing under this
33 subsection.

34 (d) All agreements shall contain the following specifics:

35 **(1) LIMITED BENEFITS FOR MINOR PARENTS**

36 AFDC and housing benefits for minor unmarried parents shall not be
37 available to those who are not living with their parents or guardians
38 unless there is reasonable concern that abuse to them or their children
39 will result as a consequence of living with the parents or guardians,
40 including reasonable suspicion that incest has occurred while living with
41 parents or guardians. The agreement shall contain provision for
42 educational services, adolescent parenting programs, and very close
43 monitoring by the social services caseworker, participation in available

1 programs that are like the adolescent pregnancy prevention program and
2 the independent living program models that focus on the prevention of
3 subsequent out-of-wedlock pregnancies, and involvement of the father
4 through counseling and guidance.

5 The Department of Human Resources shall not allow unemancipated
6 minors to receive AFDC checks directly unless (i) the caseworker
7 determines that the minor is in a separate household from parent or
8 guardian for reasons of health, safety, or being forced out of the parent's
9 or guardian's home, or (ii) federal law or regulation, such as HUD
10 occupancy levels in public housing, prohibit these constraints. The
11 caseworker's determination shall be reviewed by the supervisor and by
12 the director of social services before the minor may receive a check.

13 **(2) FAMILY CAP LIMITS/BIRTH CONTROL COUNSELING AND**
14 **AVAILABILITY**

15 a. The Department of Human Resources shall ensure that increases
16 in assistance other than general increases provided to all
17 recipients are not provided to a recipient family for any
18 additional dependent child conceived while the family is
19 receiving assistance.

20 These limits shall not apply if the birth of the additional
21 dependent child results from rape or incest, when these offenses
22 were duly reported to the appropriate law enforcement agency, or
23 from failure of a birth control device the use of which is
24 medically verifiable, such as an interuterine device (IUD),
25 Norplant, or sterilization.

26 b. Any dependent infant remains a dependent for purposes of this
27 Article and remains eligible for all assistance for which it is
28 eligible.

29 c. The Department shall ensure that a family who discontinues
30 receiving assistance for any reason and who subsequently
31 reapplies for assistance shall not have included any more children
32 in the family size for the purpose of determining the amount of
33 assistance than were included in the family size at the time the
34 assistance was discontinued, unless the family did not receive
35 assistance for 24 months or more.

36 These limits shall not apply if the birth of the additional
37 dependent child results from rape or incest when these offenses
38 were duly reported to the appropriate law enforcement agency or
39 from failure of a birth control device the use of which is
40 medically verifiable, such as an IUD, Norplant, or sterilization.

41 d. The Department of Human Resources shall cooperate with the
42 Department of Environment, Health, and Natural Resources to
43 ensure that, when their eligibility for assistance is determined, the

1 parent and dependent teenaged child shall be given the
2 opportunity to choose an appropriate method of birth control and
3 advised of each of the methods' contraindications, potential side
4 effects, and effective rates.

5 The parent and dependent child shall also be advised on the
6 prevention of sexually transmitted diseases.

7 The dependent teenaged child may give consent for medical
8 health services for the prevention of pregnancy pursuant to G.S.
9 90-21.5.

10 e. The Department of Human Resources shall cooperate with the
11 Department of Environment, Health, and Natural Resources to
12 ensure that all appropriate forms of birth control are available at
13 no charge to any parent of a recipient family, whether male or
14 female, and to any dependent teenaged child. If a family
15 contains both a male and a female parent, the Department shall
16 ensure that both parents receive the opportunity to choose a
17 method of birth control pursuant to this paragraph.

18 f. The parent and dependent teenaged child shall sign a statement
19 that the effective rate, the contraindications, and the potential
20 side effects of all the birth control methods were understood, and
21 that they were advised of the prevention of sexually transmitted
22 diseases. The Department of Human Resources shall cooperate
23 with the Department of Environment, Health, and Natural
24 Resources to ensure that this paragraph is effected.

25 g. The Department of Human Resources shall cooperate with the
26 Department of Environment, Health, and Natural Resources to
27 ensure that families already receiving assistance as of the
28 effective date of this subdivision receive the birth control
29 opportunities and advice on the prevention of sexually
30 transmitted diseases required by this subdivision within six
31 months of this date, except that families already receiving
32 assistance by this date who contain a parent or a teenaged
33 dependent child who is pregnant as of this date shall be given the
34 birth control opportunities and advice on the prevention of
35 sexually transmitted diseases required by this section within one
36 month of the baby's birth.

37 **(3) OVERALL BENEFITS LIMITS**

38 a. All public assistance benefits shall be limited to four years,
39 including education and job training, except as provided in
40 paragraph b. of this subdivision. The agreement shall specify
41 how long any benefit shall be available, not to exceed four years.

42 b. The General Assembly finds that there should be a high level of
43 flexibility on the part of the local social services agency in

1 moving the recipient family toward permanent self-sufficiency.
2 Therefore, if the local social services agency determines that the
3 recipient is making significant and documented progress toward
4 self-sufficiency, and that there are unusual circumstances that
5 warrant an extension of benefits for up to an additional 12
6 months, and if the Division of Social Services, Department of
7 Human Resources, agrees with this determination, this extension
8 shall be allowed.

- 9 c. Benefits for any dependent child shall not be terminated after
10 four or five years pursuant to this subdivision if the child's parent
11 fails to become able to care for the child within this period.

12 **(4) PATERNITY ESTABLISHMENT**

- 13 a. The local social services agency shall continue the practice of
14 establishing paternity at birth through hospitals or as soon as
15 feasible through acknowledgment or court action.

- 16 b. The Department of Human Resources shall strengthen
17 requirements that the local social services agency report
18 paternity.

- 19 c. Effective October 1, 1996, the Department of Human Resources
20 and the Administrative Office of the Courts shall strengthen and
21 streamline the process for establishing paternity through court
22 action and establish a legal presumption favoring garnishment of
23 wages after a certain set number of payments have been very late
24 or have not been made. The Department and the Administrative
25 Office of the Courts shall cooperate on a study that will
26 determine how best to accomplish this streamlining and
27 garnishment presumption and to report the 1995 General
28 Assembly by April 15, 1996, on its recommendations, including
29 any recommended statutory changes.

30 The Department shall ensure that, pursuant to G.S. 110-131,
31 as amended, if a recipient mother who has given birth to an out-
32 of-wedlock child has not cooperated in paternity establishment
33 within three months of the child's birth, there will be no
34 additional AFDC cash benefits continued for that child. Even
35 when the birth arose through rape or incest and these offenses
36 were reported to the appropriate law enforcement agency, the
37 same requirements apply, unless the local social services agency
38 determines that the safety and well-being of the mother or the
39 child would be jeopardized. Any determination that the mother
40 has not cooperated shall be reviewed by the caseworker's
41 supervisor and by the director of social services.

42 **(5) EDUCATION**

1 The General Assembly finds that the likelihood of permanent self-
2 sufficiency is minimized unless there is adequate education. Therefore,
3 all agreements shall require that all minors obtain a high school diploma
4 or its equivalent, whether through regular schools, alternative schools,
5 community colleges, or elsewhere. If the local social services agency
6 considers it necessary, the agreement may contain provision for a
7 minor's further education. The agreement may also contain provision
8 for education for an adult.

9 **(6) WORK/TRAINING**

10 All agreements shall specify that all nonexempt family members shall
11 work or be in a work-training program that is based on the local job
12 market and is designed to move the family to permanent self-
13 sufficiency. Each agreement shall use community-based organizations
14 as much as is reasonably possible in facilitating involvement and
15 retention in the particular family's work-training program. The local
16 social services agency must involve the private sector in job location,
17 and microenterprise alternatives shall be permitted if appropriate and
18 agreed to. The agreement shall specify that child day care and
19 transportation shall be provided to enable the recipient to fulfill the
20 requirements of this subdivision, if appropriate.

21 In instances when work is unavailable, and the recipient is not
22 otherwise exempt from the work requirement, the recipient shall work in
23 appropriate public community service for at least 14 hours per week
24 without compensation, subject to the availability of appropriate child
25 day care, if needed. The recipient shall be permitted, whether or not
26 exempt from work requirements, if the local social services agency
27 agrees to volunteer for uncompensated public community service work
28 in excess of 14 hours per week.

29 **(7) EXEMPTIONS FROM WORK/JOBS REQUIREMENT**

30 The following individuals are exempt:

- 31 a. Under age 16;
32 b. Age 16, 17, and a full-time student or to be a full time student in
33 next school year;
34 c. Age 18 and due to complete high school before age 19;
35 d. Ill or disabled;
36 e. Age 60 or older;
37 f. Required to travel more than two hours round-trip for a normal
38 work or training day;
39 g. Needed in home to care for someone ill or disabled who lives in
40 the home;
41 h. Working more than 30 hours per week;
42 i. More than three months pregnant; and
43 j. A parent caring for a child under three months of age.

1 The agreement shall involve all exempt individuals, when appropriate,
2 in the plan for moving the family toward permanent self-sufficiency.

3 Exempt individuals can volunteer for programs otherwise required if
4 the local social services agency considers it is in the best interest of
5 moving the family toward permanent self-sufficiency.

6 **(8) REMOVAL OF WORK DISINCENTIVES**

7 a. The General Assembly finds that a reliable vehicle is often a
8 family necessity to fulfill the family's education, training, and
9 work requirements. The current one thousand five hundred
10 dollar (\$1,500) public assistance resource limit has been
11 unchanged for a long period of time and is no longer sufficient.
12 Therefore, the Department of Human Resources shall raise the
13 value of an allowed motor vehicle for purposes of AFDC and
14 Food Stamp eligibility to no more than seven thousand five
15 hundred dollars (\$7,500).

16 b. The Department of Human Resources shall raise AFDC and
17 Food Stamp resource eligibility limits to three thousand dollars
18 (\$3,000), excluding the value of place of residence and of the
19 allowed motor vehicle.

20 c. The Department of Human Resources shall eliminate AFDC-
21 UNEMPLOYED PARENT (AFDC-UP) disincentives by:

22 1. Eliminating the '100-hour rule', which currently removes
23 assistance from two-parent 'Unemployed parent' families
24 in which the principal wage earner works 100 hours or
25 more a month eliminating the 100-hour rule; and

26 2. Eliminating the requirement of an unemployment history
27 for two-parent 'Unemployed Parent' families, which
28 currently requires that one parent shall have worked and
29 earned at least fifty dollars (\$50.00) in six of 13 calendar
30 quarters prior to the date of application in order to receive
31 assistance.

32 d. The Department of Human Resources shall disregard all
33 recipients' employment earnings for the first three months.

34 For the next nine months, the Department shall disregard the
35 first two hundred dollars (\$200.00) per month, plus one-third of
36 the remainder, unless an Individual Development Account is
37 used, as authorized by subdivision (5) of this subsection. If a
38 family has an Individual Development Account, after the first
39 three months, the Department shall disregard the first two
40 hundred dollars (\$200.00) per month, plus one-half of the
41 remainder, provided that amount that is the difference between
42 the one-third of the remainder and the one-half of the remainder
43 is placed in the Individual Development Account.

1 **(9) ADDITIONAL WORK INCENTIVES**

2 a. Individual Development Accounts (IDA):

3 An IDA is a special bank account established pursuant to the
4 agreement that shall be used only for the purchase of a home,
5 acquisition of health or disability insurance, to obtain education
6 or job training, or to develop a small business. These limits on
7 the use of the IDA funds continue after the recipient holding the
8 account has left public assistance. The Department of Human
9 Resources shall cooperate with the State Banking Commission in
10 establishing and administering these accounts to ensure that they
11 are used only as prescribed in this subdivision.

12 The agreement may allow that people already receiving
13 assistance may retain financial assets not to exceed ten thousand
14 dollars (\$10,000) without losing eligibility for full benefits if
15 these assets are placed in an IDA.

16 A person may become eligible for public assistance even if
17 that person has up to ten thousand dollars (\$10,000) in assets if
18 that person puts these assets in an IDA and if:

19 1. The person has been employed for at least seven out of the
20 last eight quarters prior to applying for and being
21 approved to receive unemployment benefits; or

22 2. The person is a displaced homemaker.

23 b. 1. Increase transitional Medicaid and child care
24 from 12 months to 18 months.

25 2. The General Assembly shall consider creating Small
26 Business/Child Care Alliances similar to Small Business
27 Health Care Alliances.

28 3. The General Assembly shall consider ways in which the
29 Family Resource Center concept can be used in
30 maximizing the positive impact of welfare reform, with
31 particular emphasis on child care, parenting classes,
32 family counseling, and service as a 'one-stop center' for
33 accessing services.

34 4. The General Assembly shall consider the feasibility of
35 excluding income-producing property from eligibility
36 limits for AFDC and Food Stamps, on analogy with the
37 Medicaid and SSI exclusions.

38 **(10) GENERAL SANCTIONS FOR NONCOMPLIANCE**

39 The General Assembly shall set and the Department of Human
40 Resources shall ensure that all sanctions are applied in a manner
41 consistent with constitutional due process, equal protection, and general
42 equity. Within these constraints, reasonable latitude and flexibility shall

1 be available to local service agencies to address circumstances specific
2 to their localities.

3 **(11) FRAUD PREVENTION INITIATIVES**

4 a. The Department of Human Resources shall take advantage of all
5 federal AFDC and Food Stamp fraud prevention programs and
6 federal dollars, including the AFDC Fraud Control Plan.

7 b. The State shall allow for income tax intercept for claims
8 classified as Food Stamp Inadvertent Household Errors.

9 c. The Department of Human Resources shall not allow
10 unemancipated minors to receive AFDC checks directly unless
11 (i) the caseworker determines that the minor is in a separate
12 household from parent or guardian for reasons of health, safety,
13 or being forced out of the parent's or guardian's home, or (ii)
14 federal law or regulation, such as HUD occupancy levels in
15 public housing, prohibit these constraints. The caseworker's
16 determination shall be reviewed by the supervisor and by the
17 director of social services before the minor may receive a check.

18 d. The Department of Human Resources shall not allow food
19 stamps to be issued to separate related family subunits all living
20 within one residence unless the caseworker determines that
21 failure to do so would significantly extend the time the family
22 would remain in welfare dependency rather than moving toward
23 self-sufficiency. The caseworker's determination shall be
24 reviewed by the supervisor and by the director of social services
25 before any related subunits may receive food stamps.

26 e. The General Assembly shall determine how best the State may
27 ensure that SSI benefits paid for disabled children are not abused
28 but are used for their proper purposes, shall enact any legislation
29 necessary, and, notwithstanding any rule to the contrary, shall
30 memorialize Congress, if necessary, to regulate the payments of
31 these benefits in a better manner.

32 **"§ 108A-26.12. Systemic changes needed to effect Welfare Reform; technology**
33 **utilization and streamlining; movement toward local case management**
34 **delivery system; General Assembly intent to aid in retraining assistance**
35 **and support to local social services agencies; N.C. CAN; electronic benefits**
36 **transfers.**

37 **(a) SIMPLIFICATION AND COORDINATION**

38 The Department of Human Resources shall ensure the reduction of duplication and
39 other inefficiencies in the application and other processes of public assistance delivery.
40 The Department shall provide better exchange of information, better service delivery and
41 paperwork reduction within local social services agencies, related agencies, and with the
42 State. The Department shall encourage movement of local social services agencies
43 toward a case management system of service delivery in order to reduce the number of

1 personnel working with one family. To encourage local social services agencies in these
2 directions, the General Assembly intends to provide retraining assistance and support for
3 local personnel to enable them to work effectively within a case management system.

4 **(b) N.C. CAN**

5 The Department of Human Resources shall institute phase one of N.C. CAN to effect
6 technology utilization and streamlining. N.C. CAN is a collaboration between the
7 Department of Human Resources and counties that seeks an integrated information
8 environment that will allow families and children to be served holistically. A
9 comprehensive information model will be developed that reflects the business and
10 information requirements for human services delivery. This model will become the
11 blueprint for the modular design and implementation of a flexible automated system that
12 will meet all objectives for an improved human services delivery system.

13 The anticipated outcomes of N.C. CAN include simplification, 'one-stop-shopping'
14 for families being served, less staff involved in the eligibility determination process,
15 improved services for families, and improved information for line workers and
16 management. The following are some of the goals to be accomplished with N.C. CAN:

- 17 (1) Simplify fundamentally and improve interaction with clients and
18 families;
- 19 (2) Ensure quality improvement of services;
- 20 (3) Promote communication among agencies;
- 21 (4) Define human services processes;
- 22 (5) Examine how human services are delivered;
- 23 (6) Integrate both manual and automated processes; and
- 24 (7) Reengineer existing human services systems.

25 **(c) ELECTRONIC BENEFITS TRANSFER**

26 The Department of Human Resources shall institute electronic benefits transfer.

27 **"§ 108A-26.13. Performance audit of benefits and service delivery programs.**

28 The State Auditor shall conduct a performance audit of all programs related to the
29 administration or delivery of benefits and services to public assistance recipients. This
30 audit shall include all State agencies, departments, divisions, and offices that play a direct
31 role in the delivery or administration of benefits and services. The General Assembly
32 intends to appropriate sufficient funds to the State Auditor for this purpose. These funds
33 may be used to obtain consultants with needed areas of expertise, and time-limited
34 employees, when needed, to perform this audit. The audit shall include an examination
35 of the following:

- 36 (1) Ways to reduce paperwork;
- 37 (2) Duplication of tasks; programs, and services;
- 38 (3) Efficiency of program administration, including overlapping
39 responsibilities and layering of management;
- 40 (4) Level of consistency in goals, management operations, and
41 implementation strategies;

- (5) Adequacy of personnel training and continuing education, placing particular emphasis on consistency with collaborative and case management concepts;
- (6) Potential efficiency gains through consolidation of functions within agencies or even across agency lines;
- (7) Examination of the State-local relationships with regard to personnel, funding, training, and overall service delivery and administration;
- (8) Collaboration, cooperation, and coordination between departments, agencies, and levels of government;
- (9) Contracting and consulting practices; and
- (10) Use of local nongovernmental community organizations and institutions of higher education in service delivery on a voluntary basis and through small grants or contracts.

The audit shall also include any other issues relating to welfare reform that the State Auditor considers necessary or advisable.

All State and local agencies and officials shall cooperate fully with the Office of the State Auditor in its performance of this audit. This cooperation includes, but is not limited to, providing ready and complete access to all materials, including those in draft form and those that may contain confidential, proprietary, or similar information. The General Assembly intends that the Office of the State Auditor have full and complete independence in conducting this study in accordance with G.S. 147-64.8 and all other applicable general statutes and session laws.

"§ 108A-26.14. Ongoing program evaluation for purposes of assessing performance.

The General Assembly shall establish a task force for the single purpose of providing ongoing program evaluation as welfare reform progresses in North Carolina in order to assess performance of all involved agencies. The task force shall continue until terminated by the General Assembly.

"§ 108A-26.15. State government participation in Welfare Reform.

All State agencies, including the Department of Human Resources, the Department of Commerce, the Employment Security Commission, the Housing Finance Agency, the Department of Community Colleges, the Department of Public Instruction, the Department of Environment, Health, and Natural Resources, and the Rural Economic Development Commission, that provide programs or services that are used by public assistance recipients shall ensure that these programs and services are provided in such a way as to effect welfare reform as provided in this Part, and that their goals are harmonious with welfare reform's goals of moving families toward permanent self-sufficiency.

The Department of Commerce shall, in particular, conduct all its economic development efforts in a manner that pays particular attention to issues of welfare reform.

The Employment Security Commission shall expand its role in job training and location as the General Assembly determines, upon consideration of the recommendations of the Governor's Task Force on Welfare Reform on this issue.

1 The Department of Correction shall conduct an internal study of its education and
2 training programs to determine how best to redirect these programs to enable and
3 encourage inmates to be responsible family members while incarcerated and to
4 participate in their families' movement toward permanent self-sufficiency when they
5 return to their communities.

6 The State agencies shall report their compliance with this subsection to the 1995
7 General Assembly by April 15, 1996.

8 **"§ 108A-26.16. Part 1A controls over other law and rule.**

9 Any law or rule in conflict with this Part is superseded by this Part."

10 Sec. 2. G.S. 110-131 reads as rewritten:

11 **"§ 110-131. Compelling disclosure of information respecting the nonsupporting**
12 **responsible parent of a child receiving public assistance. ~~assistance; failure~~**
13 **to cooperate.**

14 (a) If a parent of any dependent child receiving public assistance fails or refuses to
15 cooperate with the county in locating and securing support from a nonsupporting
16 responsible parent, this parent may be cited to appear before any judge of the district
17 court and compelled to disclose ~~such this~~ information under oath and/or may be declared
18 ~~ineligible for public assistance by the county department of social services for as long as he fails~~
19 ~~to cooperate. oath.~~ If the parent has not cooperated within three months of the child's
20 birth, that parent shall be declared ineligible for any additional cash AFDC assistance for
21 that child even if the birth arose through rape or incest and these offenses were reported
22 to the appropriate law enforcement agency, unless the local department of social services
23 determines that the safety and well-being of the parent or the child would be jeopardized
24 by cooperation. Any determination that the parent has not cooperated shall be reviewed
25 by the caseworker's supervisor and by the director of the local department of social
26 services. Any social services worker making the determination that the birth arose
27 through rape or incest shall follow all applicable law in ensuring that these crimes are
28 prosecuted.

29 (b) Any parent who, having been cited to appear before a judge of the district court
30 pursuant to subsection (a), fails or refuses to appear or fails or refuses to provide the
31 information requested may be found to be in contempt of ~~said~~ court and may be fined not
32 more than one hundred dollars (\$100.00) or imprisoned not more than six months or both.

33 ~~(c) Any parent who is declared ineligible for public assistance by the county~~
34 ~~department of social services shall have his needs excluded from consideration in~~
35 ~~determining the amount of the grant, and the needs of the remaining family members~~
36 ~~shall be met in the form of a protective payment in accordance with G.S. 108-50."~~

37 Sec. 3. G.S. 105A-2(1)r. reads as rewritten:

38 "r. The North Carolina Department of Human Resources when in
39 the performance of its ~~intentional program violation~~ collection
40 duties for intentional program violations and violations due to
41 inadvertent household error under the Food Stamp Program
42 enabled by Chapter 108A, Article 2, Part 5, and any county
43 operating the same Program at the local level, when and only to

1 the extent such a county is in the performance of Food Stamp
2 Program intentional program-violation collection functions."

3 Sec. 4. (a) The General Assembly establishes a Child and Family Services
4 Interagency Council to focus on the need to ensure smooth, rational, efficient
5 coordination of efforts across agency, departmental, and division lines throughout the
6 entire, long-range process of welfare reform. This Council will continue until terminated
7 by the General Assembly.

8 (b) The General Assembly reestablishes the Legislative Study Commission on
9 Welfare Reform to continue the work begun by the Commission established by Section
10 47 of Chapter 24 of the 1993 Session Laws, Extra Session 1994.

11 Sec. 5. The Department of Human Resources shall apply for all necessary
12 waivers required by Sections 1 and 2 of this act from the federal government immediately
13 as of the effective date of this section. If the federal government denies the waiver before
14 the effective date of Sections 1 and 2 of this act or if the waiver has not been accepted by
15 the effective date of these sections, these sections shall not become effective unless the
16 General Assembly, in the next appropriations act passed after the denial, appropriates
17 sufficient funds to make up for the loss of federal funds, in which case these sections
18 shall become effective on the effective date of this appropriations act. If the waiver is
19 denied or has not been accepted by the effective date of these sections, funds
20 appropriated by this act shall be held by the State Treasurer in a special fund, which shall
21 be released as appropriated if the General Assembly does meet this condition.

22 Sec. 6. Unless otherwise provided, except for, and subject to, the conditions
23 set forth in Section 5 of this act, Sections 1 and 2 of this act become effective October 1,
24 1995. Section 3 of this act is effective upon ratification. Any limitation on services and
25 benefits prescribed in Section 1 apply to agreements drawn up for applicants for public
26 assistance applying on or after this date and apply to determinations or redeterminations
27 of eligibility for benefits made on or after that date. Section 2 applies to births occurring
28 on or after this date. Any appropriations made by this act become effective July 1, 1995.
29 Sections 5 and 6 of this act are effective upon ratification.