

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1243
Committee Substitute Favorable 7/1/99

Short Title: Welfare Law Changes.

(Public)

Sponsors:

Referred to:

April 15, 1999

A BILL TO BE ENTITLED

1 AN ACT TO MAKE CHANGES TO THE WORK FIRST LAW PERTAINING TO
2 MAINTENANCE OF EFFORT, SUPPORT SERVICES, PAY-FOR-
3 PERFORMANCE FOR TWO-PARENT FAMILIES, AND OTHER AREAS OF
4 WELFARE REFORM.
5

6 The General Assembly of North Carolina enacts:

7 Section 1.(a) Support services under North Carolina's Temporary Assistance for
8 Needy Families (TANF) State Plan shall be available to families whose family income
9 does not exceed two hundred percent (200%) of the federal poverty level. Other services,
10 including pregnancy prevention, child protection, family preservation, job retention, and
11 tracking and follow-up activities, may be provided without regard to income. Work-
12 related services under TANF may be provided to a noncustodial parent of a minor child
13 whose custodial parent is a TANF recipient, or to a noncustodial parent of a minor child
14 in a child-only case, except that no work-related services shall be provided to the
15 noncustodial parent if the services would limit or reduce Work First assistance to the
16 custodial parent or caretaker and children. In order to be eligible for work-related
17 services under this subsection, the noncustodial parent's family income must be not more
18 than two hundred percent (200%) of the federal poverty level.

1 Section 1.(b) In order to make it more possible for motivated persons to move to
2 higher levels of economic self-sufficiency, counties are encouraged to advise eligible
3 persons who are interested in pursuing postsecondary education or training of the support
4 services that are available during enrollment in these programs. Counties should
5 encourage eligible persons to consider postsecondary education or training programs that
6 are designed to increase earning potential and enhance career advancement opportunities
7 in high-demand and high-growth occupations.

8 Section 1.1. G.S. 108A-27.1 reads as rewritten:

9 **"§ 108A-27.1. Time limitations on assistance.**

10 (a) Under the Standard Work First Program, unless an extension or an exemption
11 is provided pursuant to the provisions of the Part or the State Plan, any cash assistance
12 provided to a person or family in the employment program shall only be provided for a
13 cumulative total of 24 months. After having received cash assistance for 24 months, the
14 person or the family may reapply for cash assistance, but not until after ~~36~~18 months
15 from the last month the person or the family received cash assistance. This subsection
16 shall not apply to child-only cases.

17 (b) Electing Counties may set any time limitations on assistance it finds
18 appropriate, so long as the time limitations do not conflict with or exceed any federal
19 time limitations."

20 Section 1.2.(a) G.S. 108A-27.2(2) reads as rewritten:

21 "The Department shall have the following general duties with respect to the Work
22 First Program:

23 ...

24 (2) Describe authorized federal and State work ~~activities;~~activities. For up to
25 twenty percent (20%) of Work First recipients, authorized State work
26 activities shall include at least part-time enrollment in a postsecondary
27 education program. In Standard Counties, recipients enrolled on at least
28 a part-time basis in a postsecondary education program and maintaining
29 a 2.5 grade point average or its equivalent shall have their two-year time
30 limit suspended for up to three years."

31 Section 1.2.(b) G.S. 108A-27.9(c)(4) reads as rewritten:

32 "(c) The State Plan shall include the following generally applicable provisions:

33 ...

34 (4) A description of eligible federal and State work ~~activities;~~activities. For
35 up to twenty percent (20%) of Work First recipients, authorized State
36 work activities shall include at least part-time enrollment in a
37 postsecondary education program. In Standard Counties, recipients
38 enrolled on at least a part-time basis in a postsecondary education
39 program and maintaining a 2.5 grade point average or its equivalent
40 shall have their two-year time limit suspended for up to three years."

41 Section 2.(a) G.S. 108A-108A-27.2(9) reads as rewritten:

42 "The Department shall have the following general duties with respect to the Work
43 First Program:

1 ...
2 (9) Develop and implement a system to monitor and evaluate the impact of
3 the Work First Program on children and families, including the impact
4 of the Work First Program on ~~the economic security and health of children~~
5 ~~and families, job retention and advancement, child abuse and neglect,~~
6 caseloads for child protective services and foster care, school
7 attendance, ~~and academic and behavioral performance.~~ performance, and
8 other measures of the economic security and health of children and
9 families. The system should be developed to allow monitoring and
10 evaluation of impact based on both aggregated and disaggregated data.
11 State and county agencies shall cooperate in providing information
12 needed to conduct these evaluations, sharing data and information
13 except where prohibited specifically by federal law or regulation;"

14 Section 2.(b) G.S. 108A-27.2 is amended by adding the following new
15 subdivision to read:

16 "The Department shall have the following general duties with respect to the Work
17 First Program:

18 ...
19 (1c) Ensure that two-parent families receive cash assistance for three months
20 after qualifying for assistance without being subject to pay for
21 performance requirements, in order to encourage families to stay
22 together and to overcome barriers to self-sufficiency and gainful
23 employment. Cash assistance or diversion assistance received prior to
24 being subject to pay for performance requirements is limited to one time
25 within a 12-month period."

26 Section 2.(c) G.S. 108A-27.9(c) is amended by adding the following new
27 subdivision to read:

28 ...
29 "(c) The State Plan shall include the following generally applicable provisions:
30 (1c) Provisions to ensure that two-parent families receive cash assistance for
31 three months after qualifying for assistance without being subject to pay
32 for performance requirements, in order to encourage families to stay
33 together and to overcome barriers to self-sufficiency and gainful
34 employment. Cash assistance or diversion assistance received prior to
35 being subject to pay for performance requirements is limited to one time
36 within a 12-month period."

37 Section 3.(a) G.S. 108A-27.11 reads as rewritten:

38 "**§ 108A-27.11. Work First Program funding.**

39 (a) County block grants, except funds for Work First Family Assistance, shall be
40 computed based on the percentage of each county's total AFDC (including AFDC-EA)
41 and JOBS expenditures, except expenditures for cash assistance, to statewide actual
42 expenditures for those programs in fiscal year 1995-96. The resulting percentage shall be
43 applied to the State's total certified budget enacted by the General Assembly for each

1 ~~fiscal year, except funds budgeted for Work First Family Assistance, for Work First Program~~
2 ~~expenditures at the county level, for State funds budgeted for State and county~~
3 ~~demonstration projects authorized by the General Assembly and for Work First Family~~
4 ~~Assistance payments.~~

5 (b) The following shall apply to funding for Standard Program Counties:

6 (1) The Department shall make payments of Work First Family Assistance
7 and Work First Diversion Assistance subject to the availability of
8 federal, State, and county funds.

9 (2) The Department shall reimburse counties for county expenditures under
10 the Work First Program subject to the availability of federal, State, and
11 county funds.

12 (c) ~~Each Electing County's allocation for Work First Family Assistance shall be~~
13 ~~computed based on the percentage of each Electing County's total expenditures for cash~~
14 ~~assistance to statewide actual expenditures for cash assistance in 1995-96. The resulting~~
15 ~~percentage shall be applied to the federal TANF block grant funds appropriated for cash~~
16 ~~assistance by the General Assembly each fiscal year. The Department shall transmit the~~
17 ~~federal funds contained in the county block grants to Electing Counties as soon as~~
18 ~~practicable after they become available to the State and in accordance with federal cash~~
19 ~~management laws and regulations. The Department shall transmit one fourth of the State~~
20 ~~funds contained in county block grants to Electing Counties at the beginning of each~~
21 ~~quarter. Once paid, the county block grant funds shall not revert."~~

22 Section 3.(b) Notwithstanding Section 5 of S.L. 1999-237, funds from the
23 Temporary Assistance to Needy Families (TANF) Block Grant for the fiscal year ending
24 June 30, 2000, for Work First Cash Assistance are appropriated as follows:

25 01. Work First Cash
26 Assistance
27 \$171,035,000.

28 Section 3.(c) Section 5 of S.L. 1999-237 is amended by adding a new
29 subsection to read:

30 "Section 5.(t) Of the funds appropriated in this section to the Department of Health
31 and Human Services, Division of Social Services, in the TANF Block Grant for the 1999-
32 2000 fiscal year, the sum of six million one hundred eighty-nine thousand twenty-five
33 dollars (\$6,189,025) shall be used to make grants for work first pilot programs developed
34 in collaboration with the Employment Security Commission, business entities, faith
35 communities, educational institutions, law enforcement agencies, community
36 organizations, and other human services agencies. These pilot programs shall be
37 designed to address problems of families with significant employment barriers to
38 economic self-sufficiency and to reduce or prevent intergenerational poverty. The pilot
39 programs shall target one or more of the following outcomes:

40 (1) To improve work advancement, job training, and wage improvement of
41 noncustodial parents and to promote responsible fatherhood.

- 1 (2) To involve preschool-aged children in programs designed to develop
2 and enhance science-based cognitive development activities and to
3 expand access to such programs.
- 4 (3) To track and work with families that have returned to receiving public
5 assistance after having left public assistance due to employment.
- 6 (4) To assist recipients in creating safe neighborhood environments by
7 eliminating criminal activity and other dangers to child and family
8 safety and well-being.
- 9 (5) To identify and assist homeless families in moving from poverty to self-
10 sufficiency.
- 11 (6) To involve children in programs such as peer mediation, nonviolent
12 conflict resolution, and community service, that teach self-discipline
13 and responsibility and that provide positive motivation.
- 14 (7) To identify families that have been sanctioned under TANF and to
15 provide programs and services designed to eliminate barriers to
16 compliance.
- 17 (8) To assist families with special problems such as language barriers.

18 Grants for pilot programs under this subsection shall be made by the Department of
19 Health and Human Services. Any local or State governmental agency or nonprofit, tax-
20 exempt organization may apply for funds under this subsection. All grant proposals shall
21 contain specific goals and objectives and an evaluation mechanism with which progress
22 towards attaining these goals and objectives can be measured. All grant proposals shall
23 provide evidence of collaboration between agencies in developing or administering the
24 program or both. All pilot programs under this subsection shall be required to report on
25 the program to the Department of Health and Human Services.

26 The Secretary of the Department of Health and Human Services shall, in consultation
27 with the Employment Security Commission, the Department of Public Instruction, the
28 Office of Juvenile Justice, the local departments of social services, advocacy
29 organizations, and other human services agencies, establish a set of guidelines for
30 reviewing, evaluating, and awarding the grants. The Department of Health and Human
31 Services shall make progress reports to the Joint Legislative Public Assistance
32 Commission, the Senate Appropriations Committee on Human Resources, the House of
33 Representatives Appropriations Subcommittee on Health and Human Services, and the
34 Fiscal Research Division at least quarterly, beginning no later than December 1, 1999."

35 Section 4.(a) G.S. 108A-12 reads as rewritten:

36 **"§ 108A-27.12. Maintenance of effort.**

37 (a) ~~The Department shall define in the State Plan or by rule the term "maintenance~~
38 ~~of effort" based on that term as defined in Title IV-A and shall provide to counties a list of~~
39 ~~activities that qualify for federal maintenance of effort requirements. the services that can~~
40 ~~be provided with TANF federal funds and with State and county maintenance of effort~~
41 ~~funds. The Department shall work with counties to allow flexibility in the spending of~~
42 ~~county, State, and federal funds so as to maximize the use of resources while assuring~~
43 ~~that federal maintenance of effort requirements are met.~~

1 (b) ~~If a county fails to comply with the maintenance of effort requirement in~~
2 ~~subsection (a) of this section, the Director of the Budget may withhold State moneys~~
3 ~~appropriated to the county pursuant to G.S. 108A-93. Counties that fail to meet~~
4 ~~maintenance of effort requirements and that fail to meet the performance indicators for~~
5 ~~reducing maintenance of effort shall submit a corrective action plan to the Department~~
6 ~~and shall be subject to G.S. 108A-27.14. The Department may reduce block grant~~
7 ~~allocations to counties that fail to meet maintenance of effort requirements and~~
8 ~~performance indicators or may use some of the county's block grant allocation to secure~~
9 ~~needed services for clients in that county. If a county fails to comply with maintenance~~
10 ~~of effort requirements, the Director of the Budget may also withhold State funds~~
11 ~~appropriated to the county pursuant to G.S. 108A-93.~~

12 (c) The Department shall maintain the State's maintenance of effort at one hundred
13 percent (100%) of the State certified budget enacted by the General Assembly for
14 programs under this Part during fiscal year 1996-97. At no time shall the Department
15 reduce or reallocate State or county funds previously obligated or appropriated for Work
16 First County Block Grants or child welfare services.

17 (d) ~~For Standard Program Counties, using the 1996-97 fiscal year as the base year,~~
18 ~~counties shall maintain a financial commitment to the Work First Program equal to the~~
19 ~~proportion of State funds allocated to the Work First Program. At no time shall a~~
20 ~~Standard Program County reduce State or county funds previously obligated or~~
21 ~~appropriated for child welfare services. Each standard county shall maintain funding in~~
22 ~~Work First, child welfare, and related activities as defined by the Department at one~~
23 ~~hundred percent (100%) of the county funds budgeted in State Fiscal Year 1996-97 for~~
24 ~~AFDC Administration, JOBS employment and training, and AFDC Emergency~~
25 ~~Assistance (cash and services). A county may request to reduce its block grant and~~
26 ~~maintenance of effort if that county can demonstrate that it is meeting all the needs of its~~
27 ~~clients, as defined by the Department's performance indicators, without spending all of~~
28 ~~the block grant funds. The needs of clients include child protection, employment~~
29 ~~services, and related supportive services such as child care. The Department may~~
30 ~~reallocate any State or federal funds released from a county that reduced its maintenance~~
31 ~~of effort or from counties not spending their block grants. Funds reallocated to counties~~
32 ~~will require county match.~~

33 (e) During the first year a county operates as an Electing County, the county's
34 maintenance of effort shall be no less than ninety percent (90%) of the amount the county
35 budgeted for programs under this Part during fiscal year 1996-97. If during the first year
36 of operation as Electing the Electing County achieves one hundred percent (100%) of its
37 goals as set forth in its Electing County Plan, then the Electing County may reduce its
38 maintenance of effort to eighty percent (80%) of the amount the county budgeted for
39 programs under this Part during fiscal year 1996-97 for the second year of the Electing
40 County's operation and for all years thereafter that the county maintains Electing Status.

41 (f) The Department may realign funds if the realignment will assure that
42 maintenance of effort requirements are met while maximizing federal revenues."

1 Section 4.(b) Notwithstanding G.S. 108A-27.12(e), during the 1999-2000 fiscal
2 year, Electing Counties maintenance of effort shall be no less than ninety percent (90%)
3 of the amount the county budgeted for programs under this Part during fiscal year 1996-
4 97. If during the 1999-2000 fiscal year the Electing County achieves one hundred percent
5 (100%) of its goals as set forth in its Electing County Plan, then the Electing County may
6 reduce its maintenance of effort to eighty percent (80%) of the amount the county
7 budgeted for programs under this Part during fiscal year 1996-97 for the next year of the
8 Electing County's operation and for all years thereafter that the county maintains Electing
9 Status.

10 Section 4.(c) The Department of Health and Human Services shall report quarterly
11 on the extent to which the State and counties are meeting federal maintenance of effort
12 requirements under Temporary Assistance for Needy Families and on any realignment of
13 funds. The Department and the counties shall work together to maximize full
14 achievement of the State and county maintenance of effort. The Department shall make
15 its report to members of the House of Representatives Appropriations Subcommittee on
16 Health and Human Services, the Senate Appropriations Committee on Human Resources,
17 and the Joint Legislative Public Assistance Committee, and to the Fiscal Research
18 Division.

19 Section 4.(d) The Department shall continue to work with counties, area mental
20 health authorities, and other public and private entities or partnerships that provide
21 services to Temporary Assistance for Needy Families recipients paid for with State and
22 local funds to identify those services and activities that meet federal maintenance of
23 effort requirements. The Department shall report the status of identifying services and
24 activities in its quarterly report on meeting federal maintenance of effort requirements as
25 required under subsection (c) of this section.

26 Section 5.(a) G.S. 108A-27.3(a) is amended by adding the following new
27 subdivision to read:

28 "(a) The duties of the county boards of commissioners in Electing Counties under
29 the Work First Program are as follows:

30 ...

31 (10a) Ensure that all Work First cases are reviewed no later than three months
32 prior to expiration of time limitations for receiving cash assistance to:

33 a. Ensure that time limitations on assistance have been computed
34 correctly;

35 b. Ensure that the family is informed in writing about public
36 assistance benefits, including child care, Medicaid, and food
37 stamps, for which the family is eligible even while cash
38 assistance is no longer available;

39 c. Provide for an extension of cash assistance benefits if the family
40 qualifies for an extension; and

41 d. Review family status and assist the family in identifying
42 resources and support the family needs to maintain employment
43 and family stability."

1 Section 5.(b) G.S. 108A-27.4(e) is amended by adding the following new
2 subdivision to read:

3 "(e) Each county shall include in its County Plan the following:

4 ...
5 (7) The process by which the county will review all Work First caseloads
6 no later than three months prior to expiration of time limitations for
7 receiving cash assistance to:

- 8 a. Ensure that time limitations on assistance have been computed
9 correctly;
10 b. Ensure that the family is informed in writing about public
11 assistance benefits, including child care, Medicaid, and food
12 stamps, for which the family is eligible even while cash
13 assistance is no longer available;
14 c. Provide for an extension of cash assistance benefits if the family
15 qualifies for an extension; and
16 d. Review family status and assist the family in identifying
17 resources and support the family needs to maintain employment
18 and family stability."

19 Section 5.(c) G.S. 108A-27.4 is amended by adding the following new subsection
20 to read:

21 "(h) Electing counties shall have an emergency assistance program for Work First
22 eligible families, as defined in the electing county plan. Counties may establish income
23 eligibility for emergency assistance at or below two hundred percent (200%) of the
24 federal poverty level."

25 Section 5.(d) G.S. 108A-27.7 is amended by adding the following new subsection
26 to read:

27 "(d) Standard counties shall have an emergency assistance program for Work First
28 eligible families, as defined in the standard county plan. Counties may establish income
29 eligibility for emergency assistance at or below two hundred percent (200%) of the
30 federal poverty level."

31 Section 5.(e) G.S. 108A-27.6(a) is amended by adding the following new
32 subdivision to read:

33 "(a) Except as otherwise provided in this Article, the Standard Work First Program
34 shall be administered by the county departments of social services. The county
35 departments of social services in Standard Program Counties shall:

36 ...
37 (10) Ensure that all Work First cases are reviewed no later than three months
38 prior to expiration of time limitations for receiving cash assistance to:

- 39 a. Ensure that time limitations on assistance have been computed
40 correctly;
41 b. Ensure that the family is informed about public assistance
42 benefits, including child care, Medicaid, and food stamps, for

1 which the family is eligible even while cash assistance is no
2 longer available;

3 c. Provide for an extension of cash assistance benefits if the family
4 qualifies for an extension; and

5 d. Review family status and assist the family in identifying
6 resources and support the family needs to maintain employment
7 and family stability."

8 Section 6. G.S. 108A-27.2 is amended by adding the following new
9 subdivision to read:

10 "The Department shall have the following general duties with respect to the Work
11 First Program:

12 ...
13 (14) Review the county Work First Program of each electing county and
14 recommend whether the county should continue to be designated an
15 electing county or whether it should be redesignated as a standard
16 county. In conducting its review and making its recommendation, the
17 Department shall:

18 a. Examine and consider the results of the Department's monitoring
19 and evaluation of the impact of the electing county's Work First
20 Program as required under subdivision (9) of this section;

21 b. Determine whether the electing county's Work First Program's
22 unique design requires implementation by an electing county or
23 whether the Work First Program could be implemented by a
24 county designated as a standard county;

25 c. Determine whether the electing county's Work First Program and
26 policies are unique and innovative in meeting the purpose of the
27 Work First Program as stated under G.S. 108A-27, and State and
28 federal laws, rules, and regulations, as compared to other
29 standard and electing county Work First programs.

30 The Department shall make its recommendation and the reasons therefor
31 to the Joint Legislative Public Assistance Commission not later than
32 three months prior to submitting the State Plan to the Commission for
33 review as required under G.S. 108A-27.9(a)."

34 Section 7. Cash assistance payments under Work First shall be calculated
35 based on the standard of need that was in effect for the 1997-1998 fiscal year. The
36 Department of Health and Human Services shall make the necessary changes to the
37 Temporary Assistance for Needy Families State Plan to comply with this section.

38 Section 8. The Department of Health and Human Services and the Department
39 of Transportation shall work together to develop strategies and methods for assisting low-
40 wage workers receiving Work First Assistance in obtaining dependable, ongoing
41 transportation to and from work, child care services, and education activities. The
42 Department of Health and Human Services and the Department of Transportation shall
43 jointly report on the development and implementation of these strategies and methods no

1 later than May 1, 2000. The report shall be made to the Joint Legislative Public
2 Assistance Committee and to members of the House of Representatives Appropriations
3 Subcommittee on Health and Human Services and the Senate Appropriations Committee
4 on Human Resources.

5 Section 9. This act is effective when it becomes law.