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Short Title: Welfare Reform Changes.

(Public)

Sponsors:

Referred to:

April 15, 1999

A BILL TO BE ENTITLED

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

The General Assembly of North Carolina enacts:

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

1 services under this subsection, the noncustodial parent's family income must be not more
2 than two hundred percent (200%) of the federal poverty level.

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

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

11 "**§ 108A-27.1. Time limitations on assistance.**

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

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

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

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

25 ...

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

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

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

35 ...

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

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

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

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

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

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

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

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

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

39 Section 3. G.S. 108A-27.11 reads as rewritten:

40 "**§ 108A-27.11. Work First Program funding.**

41 (a) County block grants, except funds for Work First Family Assistance, shall be
42 computed based on the percentage of each county's total AFDC (including AFDC-EA)
43 and JOBS expenditures, except expenditures for cash assistance, to statewide actual

1 expenditures for those programs in fiscal year 1995-96. The resulting percentage shall be
2 applied to the State's total certified budget enacted by the General Assembly for each
3 fiscal year, ~~except funds budgeted for Work First Family Assistance, for Work First Program~~
4 ~~expenditures at the county level, for State funds budgeted for State and county~~
5 ~~demonstration projects authorized by the General Assembly and for Work First Family~~
6 ~~Assistance payments.~~

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

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

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

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

24 Section 4.(a) G.S. 108A-27.12 reads as rewritten:

25 "**§ 108A-27.12. Maintenance of effort.**

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

33 (b) ~~If a county fails to comply with the maintenance of effort requirement in~~
34 ~~subsection (a) of this section, the Director of the Budget may withhold State moneys~~
35 ~~appropriated to the county pursuant to G.S. 108A-93. Counties that fail to meet~~
36 ~~maintenance of effort requirements and that fail to meet the performance indicators for~~
37 ~~reducing maintenance of effort shall submit a corrective action plan to the Department~~
38 ~~and shall be subject to G.S. 108A-27.14. The Department may reduce block grant~~
39 ~~allocations to counties that fail to meet maintenance of effort requirements and~~
40 ~~performance indicators or may use some of the county's block grant allocation to secure~~
41 ~~needed services for clients in that county. If a county fails to comply with maintenance~~
42 ~~of effort requirements, the Director of the Budget may also withhold State funds~~
43 ~~appropriated to the county pursuant to G.S. 108A-93.~~

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

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

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

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

32 Section 4.(b) Notwithstanding G.S. 108A-27.12(e), during the 1999-2000 fiscal
33 year, Electing Counties maintenance of effort shall be no less than ninety percent (90%)
34 of the amount the county budgeted for programs under this Part during fiscal year 1996-
35 97. If during the 1999-2000 fiscal year the Electing County achieves one hundred percent
36 (100%) of its goals as set forth in its Electing County Plan, then the Electing County may
37 reduce its maintenance of effort to eighty percent (80%) of the amount the county
38 budgeted for programs under this Part during fiscal year 1996-97 for the next year of the
39 Electing County's operation and for all years thereafter that the county maintains Electing
40 Status.

41 Section 4.(c) The Department of Health and Human Services shall report quarterly
42 on the extent to which the State and counties are meeting federal maintenance of effort
43 requirements under Temporary Assistance for Needy Families and on any realignment of

1 funds. The Department and the counties shall work together to maximize full
2 achievement of the State and county maintenance of effort. The Department shall make
3 its report to members of the House of Representatives Appropriations Subcommittee on
4 Health and Human Services, the Senate Appropriations Committee on Human Resources,
5 and the Joint Legislative Public Assistance Committee, and to the Fiscal Research
6 Division.

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

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

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

18 ...

19 (10a) Ensure that all Work First cases are reviewed no later than three months
20 prior to expiration of time limitations for receiving cash assistance to:

21 a. Ensure that time limitations on assistance have been computed
22 correctly;

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

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

29 d. Review family status and assist the family in identifying
30 resources and support the family needs to maintain employment
31 and family stability."

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

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

35 ...

36 (7) The process by which the county will review all Work First caseloads
37 no later than three months prior to expiration of time limitations for
38 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 in writing about public
42 assistance benefits, including child care, Medicaid, and food

1 stamps, for which the family is eligible even while cash
2 assistance is no 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 5.(c) G.S. 108A-27.4 is amended by adding the following new subsection
9 to read:

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

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

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

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

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

25 ...

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

28 a. Ensure that time limitations on assistance have been computed
29 correctly;

30 b. Ensure that the family is informed about public assistance
31 benefits, including child care, Medicaid, and food stamps, for
32 which the family is eligible even while cash assistance is no
33 longer available;

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

36 d. Review family status and assist the family in identifying
37 resources and support the family needs to maintain employment
38 and family stability."

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

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

43 ...

1 (14) Review the county Work First Program of each electing county and
2 recommend whether the county should continue to be designated an
3 electing county or whether it should be redesignated as a standard
4 county. In conducting its review and making its recommendation, the
5 Department shall:

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

9 b. Determine whether the electing county's Work First Program's
10 unique design requires implementation by an electing county or
11 whether the Work First Program could be implemented by a
12 county designated as a standard county;

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

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

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

26 Section 8. The Department of Health and Human Services and the Department
27 of Transportation shall work together to develop strategies and methods for assisting low-
28 wage workers receiving Work First Assistance in obtaining dependable, ongoing
29 transportation to and from work, child care services, and education activities. The
30 Department of Health and Human Services and the Department of Transportation shall
31 jointly report on the development and implementation of these strategies and methods no
32 later than May 1, 2000. The report shall be made to the Joint Legislative Public
33 Assistance Committee and to members of the House of Representatives Appropriations
34 Subcommittee on Health and Human Services and the Senate Appropriations Committee
35 on Human Resources.

36 Section 9.(a) The Department of Health and Human Services shall implement in
37 at least three counties a pilot program of substance abuse testing, including random
38 substance abuse testing, as a condition of eligibility for applicants for benefits under the
39 Work First Program. Standard and Electing counties may apply to the Department to
40 implement a county substance abuse testing pilot program and may use Work First
41 County Block Grant funds for the costs of administering the pilot program. The
42 Department shall review each county's application to implement a substance abuse testing
43 program to ensure compliance with this section. Testing under the pilot program shall be

1 administered to a random sampling of applicants for Work First Program benefits.
2 Applicants may be required to submit to an approved, reliable, and professionally
3 administered test for the presence of alcohol or drugs at the time of application. An
4 applicant for Work First Program benefits shall not be considered to have tested positive
5 for substance abuse until the sample has been retested to rule out a false positive by gas
6 chromatography with mass spectrometry, gas chromatography, high performance liquid
7 chromatography, or an equally, or more, specific test using the same sample as obtained
8 for the original test. An applicant who tests positive shall, as a condition to receiving
9 Work First Program benefits, be required to comply with substance abuse treatment
10 requirements for Work First Program recipients under G.S. 108A-29.1.

11 Section 9.(b) Each Standard Program or Electing county implementing a pilot
12 substance abuse treatment testing program shall report to the Department on the
13 implementation of the program. The report shall include information on the number of
14 applicants tested, the number of applicants that participate in treatment, and whether the
15 treatment was successful in helping recipients overcome barriers to employment that
16 result from substance abuse. The Department shall report on the implementation of the
17 pilot program to the 1999 General Assembly not later than May 1, 2000, and to the 2001
18 General Assembly not later than June 1, 2001.

19 Section 10. This act is effective when it becomes law and expires October 1,
20 2001.