

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** HB 278 (Second Edition)  
**SHORT TITLE:** TANF Separation Noncharged/AB  
**SPONSOR(S):** Representative David Redwine

<b>FISCAL IMPACT</b>					
	<b>Yes ( )</b>	<b>No (x)</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 1999-00</u></b>	<b><u>FY 2000-01</u></b>	<b><u>FY 2001-02</u></b>	<b><u>FY 2002-03</u></b>	<b><u>FY 2003-04</u></b>
<b>REVENUES</b>					
<b>EXPENDITURES</b>					
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Employment Security Commission					
<b>EFFECTIVE DATE:</b> The bill is effective July 1, 1999 and applies to unemployment insurance claims filed on or after that date.					

**BILL SUMMARY:**

The bill amends the Employment Security laws to provide that recipients of Temporary Assistance for Needy Families (TANF) that are separated from work for a bona fide reason within the first 100 days of employment, will not be charged to an employer's experience rating.

**BACKGROUND:**

The North Carolina Department of Health and Human Services reports that 3,000 Work First participants have found jobs through the Employment Security Commission. These participants were involved in the First Step Employment Assistance Program where they were screened for job readiness and referred to Community Colleges for additional training.

**ASSUMPTIONS AND METHODOLOGY:**

The Employment Security Commission (ESC) states that this bill will have no fiscal impact on the Unemployment Insurance Trust Fund. In an analysis of Work First participants from February 1998 to the present, ESC found the Trust Fund impact to be statistically insignificant. Approximately 90% of the job separations for this group occur within the first 30 days of employment. Employees that surpass the 100 day threshold usually remain in their jobs.

**TECHNICAL CONSIDERATIONS:**

HB 278 refers to a "recipient of Temporary Assistance for Needy Families (TANF) assistance." North Carolina state law does not recognize this terminology. State law refers to the Work First Program rather than TANF.

G.S. 108A-27 establishes the Work First Program, a program of public assistance. The Program consists of three distinct components: (1) Work First Family Assistance (cash only); (2) Work First Diversion (cash & services provided on a limited basis); and (3) Work First Services (various support services provided to eligible individuals and families).

In order to make the bill technically correct, HB 278 might be amended to: (1) correct the use of the phrase specified above in both the text and bill title, and (2) specify which Work First Program recipients should be included in the non-charge provision.

**FISCAL RESEARCH DIVISION 733-4910**

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**DATE:** Tuesday, June 29, 1999



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