

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

S

3

SENATE BILL 1134*

Appropriations/Base Budget Committee Substitute Adopted 6/30/99

Third Edition Engrossed 7/7/99

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 services under this subsection, the noncustodial parent's family income must be not more 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 2.(a) G.S. 108A-27.2(9) reads as rewritten:

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

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

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

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

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

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

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

- 39 (1c) Provisions to ensure that two-parent families receive cash assistance for
40 three months after qualifying for assistance without being subject to pay
41 for performance requirements, in order to encourage families to stay
42 together and to overcome barriers to self-sufficiency and gainful
43 employment. Cash assistance or diversion assistance received prior to

1 being subject to pay for performance requirements is limited to one time
2 within a 12-month period."

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

4 "**§ 108A-27.11. Work First Program funding.**

5 (a) County block grants, except funds for Work First Family Assistance, shall be
6 computed based on the percentage of each county's total AFDC (including AFDC-EA)
7 and JOBS expenditures, except expenditures for cash assistance, to statewide actual
8 expenditures for those programs in fiscal year 1995-96. The resulting percentage shall be
9 applied to the State's total certified budget enacted by the General Assembly for each
10 fiscal year, ~~except funds budgeted for Work First Family Assistance, for Work First Program~~
11 ~~expenditures at the county level. for State funds budgeted for State and county~~
12 demonstration projects authorized by the General Assembly and for Work First Family
13 Assistance payments.

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

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

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

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

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

34 01.	Work First Cash
35	Assistance
36	\$171,035,000.

37 Section 3.(c) Notwithstanding Section 5 of S.L. 1999-237, there is appropriated
38 to the Department of Health and Human Services, Division of Social Services, from the
39 Temporary Assistance to Needy Families (TANF) Block Grant for the 1999-2000 fiscal
40 year the sum of six million one hundred eighty-nine thousand twenty-five dollars
41 (\$6,189,025). These funds shall be used to make grants to pilot programs developed in
42 collaboration with the Employment Security Commission, business entities, faith
43 communities, educational institutions, law enforcement agencies, community

1 organizations, and other human services agencies. These pilot programs shall be
2 designed to address problems of families with significant employment barriers to
3 economic self-sufficiency and to reduce or prevent intergenerational poverty. The pilot
4 programs shall target one or more of the following outcomes:

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

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

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

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

42 "**§ 108A-27.12. Maintenance of effort.**

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

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

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

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

40 (e) During the first year a county operates as an Electing County, the county's
41 maintenance of effort shall be no less than ninety percent (90%) of the amount the county
42 budgeted for programs under this Part during fiscal year 1996-97. If during the first year
43 of operation as Electing the Electing County achieves one hundred percent (100%) of its

1 goals as set forth in its Electing County Plan, then the Electing County may reduce its
2 maintenance of effort to eighty percent (80%) of the amount the county budgeted for
3 programs under this Part during fiscal year 1996-97 for the second year of the Electing
4 County's operation and for all years thereafter that the county maintains Electing Status.

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

7 Section 4.(b) Notwithstanding G.S. 108A-27.12(e), during the 1999-2000 fiscal
8 year, Electing Counties maintenance of effort shall be no less than ninety percent (90%)
9 of the amount the county budgeted for programs under this Part during fiscal year 1996-
10 97. If during the 1999-2000 fiscal year the Electing County achieves one hundred percent
11 (100%) of its goals as set forth in its Electing County Plan, then the Electing County may
12 reduce its maintenance of effort to eighty percent (80%) of the amount the county
13 budgeted for programs under this Part during fiscal year 1996-97 for the next year of the
14 Electing County's operation and for all years thereafter that the county maintains Electing
15 Status.

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

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

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

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

36 ...

37 (10a) 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 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.(b) G.S. 108A-27.4(e) is amended by adding the following new
9 subdivision to read:

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

11 ...

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

15 a. Ensure that time limitations on assistance have been computed
16 correctly;

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

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

23 d. Review family status and assist the family in identifying
24 resources and support the family needs to maintain employment
25 and family stability."

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

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

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

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

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

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

43 ...

- 1 (10) Ensure that all Work First cases are reviewed no later than three months
2 prior to expiration of time limitations for receiving cash assistance to:
3 a. Ensure that time limitations on assistance have been computed
4 correctly;
5 b. Ensure that the family is informed about public assistance
6 benefits, including child care, Medicaid, and food stamps, for
7 which the family is eligible even while cash assistance is no
8 longer available;
9 c. Provide for an extension of cash assistance benefits if the family
10 qualifies for an extension; and
11 d. Review family status and assist the family in identifying
12 resources and support the family needs to maintain employment
13 and family stability."

14 Section 6. 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 (14) Review the county Work First Program of each electing county and
20 recommend whether the county should continue to be designated an
21 electing county or whether it should be redesignated as a standard
22 county. In conducting its review and making its recommendation, the
23 Department shall:
24 a. Examine and consider the results of the Department's monitoring
25 and evaluation of the impact of the electing county's Work First
26 Program as required under subdivision (9) of this section;
27 b. Determine whether the electing county's Work First Program's
28 unique design requires implementation by an electing county or
29 whether the Work First Program could be implemented by a
30 county designated as a standard county;
31 c. Determine whether the electing county's Work First Program and
32 policies are unique and innovative in meeting the purpose of the
33 Work First Program as stated under G.S. 108A-27, and State and
34 federal laws, rules, and regulations, as compared to other
35 standard and electing county Work First programs.

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

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

1 Section 8. This act is effective when it becomes law.