

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 1134\*  
Appropriations/Base Budget Committee Substitute Adopted 6/30/99  
Third Edition Engrossed 7/7/99  
House Committee Substitute Favorable 7/9/99

Short Title: Welfare Reform Changes.

(Public)

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Sponsors:

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Referred to:

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April 15, 1999

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

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. This act is effective when it becomes law.