GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1999

SESSION LAW 1999-359
SENATE BILL 1134

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.

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

Section 1.1.(a) Funds appropriated in Section 5 of S.L. 1999-237 from the Temporary Assistance to Needy Families (TANF) Block Grant for the fiscal year ending June 30, 2000, for Work First Cash Assistance is changed from one hundred thirty-three million four hundred thirty six thousand eight hundred fifty-five dollars ($133,436,855) for Standard Counties to one hundred thirty-three million five hundred six thousand eight hundred fifty-five dollars ($133,506,855) for Standard Counties, and from forty-three million seven hundred eighty-seven thousand one hundred seventy dollars ($43,787,170) for Electing Counties to thirty-eight million, three hundred seventeen thousand one hundred seventy dollars ($38,317,170) for Electing Counties.

Section 1.1.(b) There is appropriated from funds made available by subsection (a) of this section to the Department of Health and Human Services, Division of Social Services, from the Temporary Assistance to Needy Families (TANF) Block Grant for the 1999-2000 fiscal year the sum of five million four hundred thousand dollars ($5,400,000). These funds shall be used to make grants to pilot programs developed in collaboration with the Employment Security Commission, business entities, faith communities, educational institutions, law enforcement agencies, community organizations, and other human services agencies. These pilot programs shall be designed to address problems of families with significant employment barriers to economic self-sufficiency and to reduce or prevent intergenerational poverty. The pilot programs shall target one or more of the following outcomes:

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

(2) To involve preschool aged children in programs designed to develop and enhance science-based cognitive development activities and to expand access to such programs.

(3) To track and work with families that have returned to receiving public assistance after having left public assistance due to employment.

(4) To assist recipients in creating safe neighborhood environments by eliminating criminal activity and other dangers to child and family safety and well-being.

(5) To identify and assist homeless families in moving from poverty to self-sufficiency.

(6) To involve children in programs, such as peer mediation, nonviolent conflict resolution, and community service, that teach self-discipline and responsibility and that provide positive motivation.

(7) To identify families that have been sanctioned under TANF and to provide programs and services designed to eliminate barriers to compliance.

(8) To assist families with special problems such as language barriers.

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

The Secretary of the Department of Health and Human Services shall, in consultation with the Employment Security Commission, the Department of Public Instruction, the Office of Juvenile Justice, the local departments of social services, advocacy organizations, and other human services agencies, establish a set of guidelines for reviewing, evaluating, and awarding the grants. The Department of Health and Human Services shall make progress reports to the Joint Legislative Public Assistance

Commission, the Senate Appropriations Committee on Human Resources, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division at least quarterly, beginning no later than December 1, 1999.

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

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

…

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

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

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

…

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

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

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

…

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

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

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

…

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

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

…

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

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

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

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

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

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

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

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

(c) Each Electing County's allocation for Work First Family Assistance shall be computed based on the percentage of each Electing County's total expenditures for cash assistance to statewide actual expenditures for cash assistance in 1995-96. The resulting percentage shall be applied to the federal TANF block grant funds appropriated for cash assistance by the General Assembly each fiscal year. The Department shall transmit the

federal funds contained in the county block grants to Electing Counties as soon as practicable after they become available to the State and in accordance with federal cash management laws and regulations. The Department shall transmit one-fourth of the State funds contained in county block grants to Electing Counties at the beginning of each quarter. Once paid, the county block grant funds shall not revert."

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

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

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

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

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

(d) ~~For Standard Program Counties, using the 1996-97 fiscal year as the base year, counties shall maintain a financial commitment to the Work First Program equal to the proportion of State funds allocated to the Work First Program. At no time shall a Standard Program County reduce State or county funds previously obligated or appropriated for child welfare services.~~ Each standard county shall maintain funding in Work First, child welfare, and related activities as defined by the Department at one hundred percent (100%) of the county funds budgeted in State Fiscal Year 1996-97 for AFDC Administration, JOBS employment and training, and AFDC Emergency Assistance (cash and services). A county may request to reduce its block grant and maintenance of effort if that county can demonstrate that it is meeting all the needs of its clients, as defined by the Department's performance indicators, without spending all of the block grant funds. The needs of clients include child protection, employment services, and related supportive services such as child care. The Department may reallocate any State or federal funds released from a county that reduced its

maintenance of effort or from counties not spending their block grants. Funds reallocated to counties will require county match.

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

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

Section 4.(b) Notwithstanding G.S. 108A-27.12(e), during the 1999-2000 fiscal year, Electing Counties maintenance of effort shall be no less than ninety percent (90%) of the amount the county budgeted for programs under this Part during fiscal year 1996-97. If during the 1999-2000 fiscal year the Electing County achieves one hundred percent (100%) of its goals as set forth in its Electing County Plan, then the Electing County may reduce its maintenance of effort to eighty percent (80%) of the amount the county budgeted for programs under this Part during fiscal year 1996-97 for the next year of the Electing County's operation and for all years thereafter that the county maintains Electing Status. This subsection does not apply to any electing county that achieved one hundred percent (100%) of its goals as set forth in its Electing County Plan during the 1998-99 fiscal year.

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

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

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

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

…

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

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

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

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

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

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

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

…

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

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

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

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

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

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

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

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

"(d) Standard counties shall have an emergency assistance program for Work First eligible families, as defined in the standard county plan. Counties may establish income

eligibility for emergency assistance at or below two hundred percent (200%) of the federal poverty level."

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

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

…

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

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

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

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

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

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

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

…

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

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

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

c. Determine whether the electing county's Work First Program and policies are unique and innovative in meeting the purpose of the Work First Program as stated under G.S. 108A-27, and

State and federal laws, rules, and regulations, as compared to other standard and electing county Work First programs.

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

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

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

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

In the General Assembly read three times and ratified this the 21st day of July, 1999.

s/ Marc Basnight
President Pro Tempore of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ James B. Hunt, Jr.
Governor

Approved 8:00 p.m. this 4th day of August, 1999