

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 35\*

Short Title: 1995 Welfare Reform.

(Public)

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Sponsors: Senators Martin of Guilford, Dannelly, Kerr, Warren; Perdue, Albertson, Speed, Edwards, Parnell, Winner, Odom, Rand, Plyler, Cooper, Gulley, Lucas, and Plexico.

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Referred to: Children and Human Resources.

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January 26, 1995

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE 1995 NORTH CAROLINA WELFARE REFORM ACT.

The General Assembly of North Carolina enacts:

Section 1. Article 2 of Chapter 108A of the General Statutes is amended by adding a new Part to read:

**"PART 1A. THE 1995 NORTH CAROLINA WELFARE REFORM ACT.**

**"§ 108A-26.10. Goal of Welfare Reform.**

Welfare Reform should aim at moving people permanently from the welfare dependency cycle to work and self-sufficiency. In so doing, it should treat all people fairly and promote individual and family responsibility, family stability, dignity, and self-respect. It should focus on the well-being and development of children into self-sufficient adults and should be administered in a fiscally responsible manner. The agreement should also recognize that some people are not capable of total, permanent self-sufficiency but may be moved toward relatively independent living.

**"§ 108A-26.11. Methodology of Welfare Reform; agreement between recipient and service provider; agreement specifics.**

1       (a) The Department of Human Resources shall ensure that every family receiving  
2 assistance shall participate in forming, and shall formally consent to, an agreement with  
3 the State and with the local social services agency, with the local agency acting for the  
4 State. This agreement shall specify all services and benefits to be provided the family to  
5 facilitate moving the family to permanent self-sufficiency. If the director of the local  
6 social services agency determines that the recipient is not capable of eventual total,  
7 permanent self-sufficiency, the agreement shall specify how the recipient may be  
8 advanced toward relatively independent living. The agreement shall, further, contain all  
9 other conditions, such as benefits limitations and any sanctions that shall be imposed for  
10 noncompliance. In developing the agreement, the local agency and the family shall focus  
11 on the family. The Department shall ensure that all agreement provisions required of all  
12 recipients in this Part are enforced and that all agreement provision of services and  
13 programs are provided by the appropriate State or local agency.

14       (b) All agreements shall include requirements for work, job training, and  
15 education, if needed. Specific provisions that shall be available for all families if they are  
16 needed include work/training requirements and child care and specific limitations and  
17 sanctions. The local social services agency may tailor other services, benefits, and  
18 sanctions for each family in a way best suited to achieve the goal of permanent self-  
19 sufficiency. All locally tailored limits and sanctions shall be set and applied in a manner  
20 consistent with equal protection across localities, due process, and general equity.

21       (c) If an agreement has not been entered into and signed by the recipient within 12  
22 weeks of the recipient's application for assistance, the local social services agency shall  
23 terminate all benefits unless the caseworker and director determine that extenuating  
24 circumstances exist that warrant this delay. In no event shall this extension extend for  
25 longer than four additional weeks.

26       If the appropriate caseworker and director of the local social services agency  
27 determines that a recipient willfully fails to comply with the signed agreement after this  
28 agreement has been in effect for at least three months, the local social services agency  
29 shall terminate all the recipient's benefits. If the recipient has failed to comply with the  
30 agreement because specified services to be provided by the local social services agency  
31 or the State were not available or were not accessible, the recipient's benefits shall not be  
32 terminated.

33       The Department of Human Resources shall ensure that all the recipient's appropriate  
34 due process requirements are met in regard to termination of benefits ensuing under this  
35 subsection.

36       (d) All agreements shall contain the following specifics:

37       **(1) LIMITED BENEFITS FOR MINOR PARENTS**

38       AFDC and housing benefits for minor unmarried parents shall not be  
39 available to those who are not living with their parents or guardians  
40 unless there is reasonable concern that abuse to them or their children  
41 will result as a consequence of living with the parents or guardians,  
42 including reasonable suspicion that incest has occurred while living with  
43 parents or guardians. The agreement shall contain provision for

1 educational services, adolescent parenting programs, and very close  
2 monitoring by the social services caseworker, participation in available  
3 programs that are like the adolescent pregnancy prevention program and  
4 the independent living program models that focus on the prevention of  
5 subsequent out-of-wedlock pregnancies, and involvement of the father  
6 through counseling and guidance.

7 The Department of Human Resources shall not allow unemancipated  
8 minors to receive AFDC checks directly unless (i) the caseworker  
9 determines that the minor is in a separate household from parent or  
10 guardian for reasons of health, safety, or being forced out of the parent's  
11 or guardian's home, or (ii) federal law or regulation, such as HUD  
12 occupancy levels in public housing, prohibit these constraints. The  
13 caseworker's determination shall be reviewed by the supervisor and by  
14 the director of social services before the minor may receive a check.

15 **(2) FAMILY CAP LIMITS/BIRTH CONTROL COUNSELING AND**  
16 **AVAILABILITY**

17 a. The Department of Human Resources shall ensure that increases  
18 in assistance other than general increases provided to all  
19 recipients are not provided to a recipient family for any  
20 additional dependent child conceived while the family is  
21 receiving assistance.

22 These limits shall not apply if the birth of the additional  
23 dependent child results from rape or incest, when these offenses  
24 were duly reported to the appropriate law enforcement agency, or  
25 from failure of a birth control device the use of which is  
26 medically verifiable, such as an interuterine device (IUD),  
27 Norplant, or sterilization.

28 b. Any dependent infant remains a dependent for purposes of this  
29 Article and remains eligible for all assistance for which it is  
30 eligible.

31 c. The Department shall ensure that a family who discontinues  
32 receiving assistance for any reason and who subsequently  
33 reapplies for assistance shall not have included any more children  
34 in the family size for the purpose of determining the amount of  
35 assistance than were included in the family size at the time the  
36 assistance was discontinued, unless the family did not receive  
37 assistance for 24 months or more.

38 These limits shall not apply if the birth of the additional  
39 dependent child results from rape or incest when these offenses  
40 were duly reported to the appropriate law enforcement agency or  
41 from failure of a birth control device the use of which is  
42 medically verifiable, such as an IUD, Norplant, or sterilization.

1           d.     The Department of Human Resources shall cooperate with the  
2           Department of Environment, Health, and Natural Resources to  
3           ensure that, when their eligibility for assistance is determined, the  
4           parent and dependent teenaged child shall be given the  
5           opportunity to choose an appropriate method of birth control and  
6           advised of each of the methods' contraindications, potential side  
7           effects, and effective rates.

8           The parent and dependent child shall also be advised on the  
9           prevention of sexually transmitted diseases.

10          The dependent teenaged child may give consent for medical  
11          health services for the prevention of pregnancy pursuant to G.S.  
12          90-21.5.

13          e.     The Department of Human Resources shall cooperate with the  
14          Department of Environment, Health, and Natural Resources to  
15          ensure that all appropriate forms of birth control are available at  
16          no charge to any parent of a recipient family, whether male or  
17          female, and to any dependent teenaged child. If a family  
18          contains both a male and a female parent, the Department shall  
19          ensure that both parents receive the opportunity to choose a  
20          method of birth control pursuant to this paragraph.

21          f.     The parent and dependent teenaged child shall sign a statement  
22          that the effective rate, the contraindications, and the potential  
23          side effects of all the birth control methods were understood, and  
24          that they were advised of the prevention of sexually transmitted  
25          diseases. The Department of Human Resources shall cooperate  
26          with the Department of Environment, Health, and Natural  
27          Resources to ensure that this paragraph is effected.

28          g.     The Department of Human Resources shall cooperate with the  
29          Department of Environment, Health, and Natural Resources to  
30          ensure that families already receiving assistance as of the  
31          effective date of this subdivision receive the birth control  
32          opportunities and advice on the prevention of sexually  
33          transmitted diseases required by this subdivision within six  
34          months of this date, except that families already receiving  
35          assistance by this date who contain a parent or a teenaged  
36          dependent child who is pregnant as of this date shall be given the  
37          birth control opportunities and advice on the prevention of  
38          sexually transmitted diseases required by this section within one  
39          month of the baby's birth.

40          **(3) OVERALL BENEFITS LIMITS**

41          a.     All public assistance benefits shall be limited to four years,  
42          including education and job training, except as provided in

1 paragraph b. of this subdivision. The agreement shall specify  
2 how long any benefit shall be available, not to exceed four years.

3 b. The General Assembly finds that there should be a high level of  
4 flexibility on the part of the local social services agency in  
5 moving the recipient family toward permanent self-sufficiency.  
6 Therefore, if the local social services agency determines that the  
7 recipient is making significant and documented progress toward  
8 self-sufficiency, and that there are unusual circumstances that  
9 warrant an extension of benefits for up to an additional 12  
10 months, and if the Division of Social Services, Department of  
11 Human Resources, agrees with this determination, this extension  
12 shall be allowed.

13 c. Benefits for any dependent child shall not be terminated after  
14 four or five years pursuant to this subdivision if the child's parent  
15 fails to become able to care for the child within this period.

16 **(4) PATERNITY ESTABLISHMENT**

17 a. The local social services agency shall continue the practice of  
18 establishing paternity at birth through hospitals or as soon as  
19 feasible through acknowledgment or court action.

20 b. The Department of Human Resources shall strengthen  
21 requirements that the local social services agency report  
22 paternity.

23 c. Effective October 1, 1996, the Department of Human Resources  
24 and the Administrative Office of the Courts shall strengthen and  
25 streamline the process for establishing paternity through court  
26 action and establish a legal presumption favoring garnishment of  
27 wages after a certain set number of payments have been very late  
28 or have not been made. The Department and the Administrative  
29 Office of the Courts shall cooperate on a study that will  
30 determine how best to accomplish this streamlining and  
31 garnishment presumption and to report the 1995 General  
32 Assembly by April 15, 1996, on its recommendations, including  
33 any recommended statutory changes.

34 The Department shall ensure that, pursuant to G.S. 110-131,  
35 as amended, if a recipient mother who has given birth to an out-  
36 of-wedlock child has not cooperated in paternity establishment  
37 within three months of the child's birth, there will be no  
38 additional AFDC cash benefits continued for that child. Even  
39 when the birth arose through rape or incest and these offenses  
40 were reported to the appropriate law enforcement agency, the  
41 same requirements apply, unless the local social services agency  
42 determines that the safety and well-being of the mother or the  
43 child would be jeopardized. Any determination that the mother

1                   has not cooperated shall be reviewed by the caseworker's  
2                   supervisor and by the director of social services.

3           **(5) EDUCATION**

4           The General Assembly finds that the likelihood of permanent self-  
5           sufficiency is minimized unless there is adequate education. Therefore,  
6           all agreements shall require that all minors obtain a high school diploma  
7           or its equivalent, whether through regular schools, alternative schools,  
8           community colleges, or elsewhere. If the local social services agency  
9           considers it necessary, the agreement may contain provision for a  
10           minor's further education. The agreement may also contain provision  
11           for education for an adult.

12           **(6) WORK/TRAINING**

13           All agreements shall specify that all nonexempt family members shall  
14           work or be in a work-training program that is based on the local job  
15           market and is designed to move the family to permanent self-  
16           sufficiency. Each agreement shall use community-based organizations  
17           as much as is reasonably possible in facilitating involvement and  
18           retention in the particular family's work-training program. The local  
19           social services agency must involve the private sector in job location,  
20           and microenterprise alternatives shall be permitted if appropriate and  
21           agreed to. The agreement shall specify that child day care and  
22           transportation shall be provided to enable the recipient to fulfill the  
23           requirements of this subdivision, if appropriate.

24           In instances when work is unavailable, and the recipient is not  
25           otherwise exempt from the work requirement, the recipient shall work in  
26           appropriate public community service for at least 14 hours per week  
27           without compensation, subject to the availability of appropriate child  
28           day care, if needed. The recipient shall be permitted, whether or not  
29           exempt from work requirements, if the local social services agency  
30           agrees to volunteer for uncompensated public community service work  
31           in excess of 14 hours per week.

32           **(7) EXEMPTIONS FROM WORK/JOBS REQUIREMENT**

33           The following individuals are exempt:

- 34           a.     Under age 16;  
35           b.     Age 16, 17, and a full-time student or to be a full time student in  
36                 next school year;  
37           c.     Age 18 and due to complete high school before age 19;  
38           d.     Ill or disabled;  
39           e.     Age 60 or older;  
40           f.     Required to travel more than two hours round-trip for a normal  
41                 work or training day;  
42           g.     Needed in home to care for someone ill or disabled who lives in  
43                 the home;

- 1           h. Working more than 30 hours per week;  
2           i. More than three months pregnant; and  
3           j. A parent caring for a child under three months of age.

4           The agreement shall involve all exempt individuals, when appropriate,  
5           in the plan for moving the family toward permanent self-sufficiency.

6           Exempt individuals can volunteer for programs otherwise required if  
7           the local social services agency considers it is in the best interest of  
8           moving the family toward permanent self-sufficiency.

9           **(8) REMOVAL OF WORK DISINCENTIVES**

10          a. The General Assembly finds that a reliable vehicle is often a  
11          family necessity to fulfill the family's education, training, and  
12          work requirements. The current one thousand five hundred  
13          dollar (\$1,500) public assistance resource limit has been  
14          unchanged for a long period of time and is no longer sufficient.  
15          Therefore, the Department of Human Resources shall raise the  
16          value of an allowed motor vehicle for purposes of AFDC and  
17          Food Stamp eligibility to no more than seven thousand five  
18          hundred dollars (\$7,500).

19          b. The Department of Human Resources shall raise AFDC and  
20          Food Stamp resource eligibility limits to three thousand dollars  
21          (\$3,000), excluding the value of place of residence and of the  
22          allowed motor vehicle.

23          c. The Department of Human Resources shall eliminate AFDC-  
24          UNEMPLOYED PARENT (AFDC-UP) disincentives by:

25                1. Eliminating the '100-hour rule', which currently removes  
26                assistance from two-parent 'Unemployed parent' families  
27                in which the principal wage earner works 100 hours or  
28                more a month eliminating the 100-hour rule; and

29                2. Eliminating the requirement of an unemployment history  
30                for two-parent 'Unemployed Parent' families, which  
31                currently requires that one parent shall have worked and  
32                earned at least fifty dollars (\$50.00) in six of 13 calendar  
33                quarters prior to the date of application in order to receive  
34                assistance.

35          d. The Department of Human Resources shall disregard all  
36          recipients' employment earnings for the first three months.

37                For the next nine months, the Department shall disregard the  
38                first two hundred dollars (\$200.00) per month, plus one-third of  
39                the remainder, unless an Individual Development Account is  
40                used, as authorized by subdivision (5) of this subsection. If a  
41                family has an Individual Development Account, after the first  
42                three months, the Department shall disregard the first two  
43                hundred dollars (\$200.00) per month, plus one-half of the

1 remainder, provided that amount that is the difference between  
2 the one-third of the remainder and the one-half of the remainder  
3 is placed in the Individual Development Account.

4 **(9) ADDITIONAL WORK INCENTIVES**

5 a. Individual Development Accounts (IDA):

6 An IDA is a special bank account established pursuant to the  
7 agreement that shall be used only for the purchase of a home,  
8 acquisition of health or disability insurance, to obtain education  
9 or job training, or to develop a small business. These limits on  
10 the use of the IDA funds continue after the recipient holding the  
11 account has left public assistance. The Department of Human  
12 Resources shall cooperate with the State Banking Commission in  
13 establishing and administering these accounts to ensure that they  
14 are used only as prescribed in this subdivision.

15 The agreement may allow that people already receiving  
16 assistance may retain financial assets not to exceed ten thousand  
17 dollars (\$10,000) without losing eligibility for full benefits if  
18 these assets are placed in an IDA.

19 A person may become eligible for public assistance even if  
20 that person has up to ten thousand dollars (\$10,000) in assets if  
21 that person puts these assets in an IDA and if:

22 1. The person has been employed for at least seven out of the  
23 last eight quarters prior to applying for and being  
24 approved to receive unemployment benefits; or

25 2. The person is a displaced homemaker.

26 b. 1. Increase transitional Medicaid and child care  
27 from 12 months to 18 months.

28 2. The General Assembly shall consider creating Small  
29 Business/Child Care Alliances similar to Small Business  
30 Health Care Alliances.

31 3. The General Assembly shall consider ways in which the  
32 Family Resource Center concept can be used in  
33 maximizing the positive impact of welfare reform, with  
34 particular emphasis on child care, parenting classes,  
35 family counseling, and service as a 'one-stop center' for  
36 accessing services.

37 4. The General Assembly shall consider the feasibility of  
38 excluding income-producing property from eligibility  
39 limits for AFDC and Food Stamps, on analogy with the  
40 Medicaid and SSI exclusions.

41 **(10) GENERAL SANCTIONS FOR NONCOMPLIANCE**

42 The General Assembly shall set and the Department of Human  
43 Resources shall ensure that all sanctions are applied in a manner



1 consistent with constitutional due process, equal protection, and general  
2 equity. Within these constraints, reasonable latitude and flexibility shall  
3 be available to local service agencies to address circumstances specific  
4 to their localities.

5 **(11) FRAUD PREVENTION INITIATIVES**

6 a. The Department of Human Resources shall take advantage of all  
7 federal AFDC and Food Stamp fraud prevention programs and  
8 federal dollars, including the AFDC Fraud Control Plan.

9 b. The State shall allow for income tax intercept for claims  
10 classified as Food Stamp Inadvertent Household Errors.

11 c. The Department of Human Resources shall not allow  
12 unemancipated minors to receive AFDC checks directly unless  
13 (i) the caseworker determines that the minor is in a separate  
14 household from parent or guardian for reasons of health, safety,  
15 or being forced out of the parent's or guardian's home, or (ii)  
16 federal law or regulation, such as HUD occupancy levels in  
17 public housing, prohibit these constraints. The caseworker's  
18 determination shall be reviewed by the supervisor and by the  
19 director of social services before the minor may receive a check.

20 d. The Department of Human Resources shall not allow food  
21 stamps to be issued to separate related family subunits all living  
22 within one residence unless the caseworker determines that  
23 failure to do so would significantly extend the time the family  
24 would remain in welfare dependency rather than moving toward  
25 self-sufficiency. The caseworker's determination shall be  
26 reviewed by the supervisor and by the director of social services  
27 before any related subunits may receive food stamps.

28 e. The General Assembly shall determine how best the State may  
29 ensure that SSI benefits paid for disabled children are not abused  
30 but are used for their proper purposes, shall enact any legislation  
31 necessary, and, notwithstanding any rule to the contrary, shall  
32 memorialize Congress, if necessary, to regulate the payments of  
33 these benefits in a better manner.

34 **"§ 108A-26.12. Systemic changes needed to effect Welfare Reform; technology**  
35 **utilization and streamlining; movement toward local case management**  
36 **delivery system; General Assembly intent to aid in retraining assistance**  
37 **and support to local social services agencies; N.C. CAN; electronic benefits**  
38 **transfers.**

39 **(a) SIMPLIFICATION AND COORDINATION**

40 The Department of Human Resources shall ensure the reduction of duplication and  
41 other inefficiencies in the application and other processes of public assistance delivery.  
42 The Department shall provide better exchange of information, better service delivery and  
43 paperwork reduction within local social services agencies, related agencies, and with the

1 State. The Department shall encourage movement of local social services agencies  
2 toward a case management system of service delivery in order to reduce the number of  
3 personnel working with one family. To encourage local social services agencies in these  
4 directions, the General Assembly intends to provide retraining assistance and support for  
5 local personnel to enable them to work effectively within a case management system.

6 **(b) N.C. CAN**

7 The Department of Human Resources shall institute phase one of N.C. CAN to effect  
8 technology utilization and streamlining. N.C. CAN is a collaboration between the  
9 Department of Human Resources and counties that seeks an integrated information  
10 environment that will allow families and children to be served holistically. A  
11 comprehensive information model will be developed that reflects the business and  
12 information requirements for human services delivery. This model will become the  
13 blueprint for the modular design and implementation of a flexible automated system that  
14 will meet all objectives for an improved human services delivery system.

15 The anticipated outcomes of N.C. CAN include simplification, 'one-stop-shopping'  
16 for families being served, less staff involved in the eligibility determination process,  
17 improved services for families, and improved information for line workers and  
18 management. The following are some of the goals to be accomplished with N.C. CAN:

- 19 (1) Simplify fundamentally and improve interaction with clients and  
20 families;
- 21 (2) Ensure quality improvement of services;
- 22 (3) Promote communication among agencies;
- 23 (4) Define human services processes;
- 24 (5) Examine how human services are delivered;
- 25 (6) Integrate both manual and automated processes; and
- 26 (7) Reengineer existing human services systems.

27 **(c) ELECTRONIC BENEFITS TRANSFER**

28 The Department of Human Resources shall institute electronic benefits transfer.

29 **"§ 108A-26.13. Performance audit of benefits and service delivery programs.**

30 The State Auditor shall conduct a performance audit of all programs related to the  
31 administration or delivery of benefits and services to public assistance recipients. This  
32 audit shall include all State agencies, departments, divisions, and offices that play a direct  
33 role in the delivery or administration of benefits and services. The General Assembly  
34 intends to appropriate sufficient funds to the State Auditor for this purpose. These funds  
35 may be used to obtain consultants with needed areas of expertise, and time-limited  
36 employees, when needed, to perform this audit. The audit shall include an examination  
37 of the following:

- 38 (1) Ways to reduce paperwork;
- 39 (2) Duplication of tasks; programs, and services;
- 40 (3) Efficiency of program administration, including overlapping  
41 responsibilities and layering of management;
- 42 (4) Level of consistency in goals, management operations, and  
43 implementation strategies;

- 1           (5) Adequacy of personnel training and continuing education,  
2           placing particular emphasis on consistency with collaborative  
3           and case management concepts;
- 4           (6) Potential efficiency gains through consolidation of functions  
5           within agencies or even across agency lines;
- 6           (7) Examination of the State-local relationships with regard to  
7           personnel, funding, training, and overall service delivery and  
8           administration;
- 9           (8) Collaboration, cooperation, and coordination between  
10           departments, agencies, and levels of government;
- 11           (9) Contracting and consulting practices; and
- 12           (10) Use of local nongovernmental community organizations and  
13           institutions of higher education in service delivery on a voluntary  
14           basis and through small grants or contracts.

15           The audit shall also include any other issues relating to welfare reform that the State  
16           Auditor considers necessary or advisable.

17           All State and local agencies and officials shall cooperate fully with the Office of the  
18           State Auditor in its performance of this audit. This cooperation includes, but is not  
19           limited to, providing ready and complete access to all materials, including those in draft  
20           form and those that may contain confidential, proprietary, or similar information. The  
21           General Assembly intends that the Office of the State Auditor have full and complete  
22           independence in conducting this study in accordance with G.S. 147-64.8 and all other  
23           applicable general statutes and session laws.

24           **"§ 108A-26.14. Ongoing program evaluation for purposes of assessing performance.**

25           The General Assembly shall establish a task force for the single purpose of providing  
26           ongoing program evaluation as welfare reform progresses in North Carolina in order to  
27           assess performance of all involved agencies. The task force shall continue until  
28           terminated by the General Assembly.

29           **"§ 108A-26.15. State government participation in Welfare Reform.**

30           All State agencies, including the Department of Human Resources, the Department  
31           of Commerce, the Employment Security Commission, the Housing Finance Agency, the  
32           Department of Community Colleges, the Department of Public Instruction, the  
33           Department of Environment, Health, and Natural Resources, and the Rural Economic  
34           Development Commission, that provide programs or services that are used by public  
35           assistance recipients shall ensure that these programs and services are provided in such a  
36           way as to effect welfare reform as provided in this Part, and that their goals are  
37           harmonious with welfare reform's goals of moving families toward permanent self-  
38           sufficiency.

39           The Department of Commerce shall, in particular, conduct all its economic  
40           development efforts in a manner that pays particular attention to issues of welfare reform.

41           The Employment Security Commission shall expand its role in job training and  
42           location as the General Assembly determines, upon consideration of the  
43           recommendations of the Governor's Task Force on Welfare Reform on this issue.

1       The Department of Correction shall conduct an internal study of its education and  
2 training programs to determine how best to redirect these programs to enable and  
3 encourage inmates to be responsible family members while incarcerated and to  
4 participate in their families' movement toward permanent self-sufficiency when they  
5 return to their communities.

6       The State agencies shall report their compliance with this subsection to the 1995  
7 General Assembly by April 15, 1996.

8       "§ 108A-26.16. Part 1A controls over other law and rule.

9       Any law or rule in conflict with this Part is superseded by this Part."

10       Sec. 2. G.S. 110-131 reads as rewritten:

11       "§ 110-131. Compelling disclosure of information respecting the nonsupporting  
12 responsible parent of a child receiving public assistance. ~~assistance; failure~~  
13 to cooperate.

14       (a) If a parent of any dependent child receiving public assistance fails or refuses to  
15 cooperate with the county in locating and securing support from a nonsupporting  
16 responsible parent, this parent may be cited to appear before any judge of the district  
17 court and compelled to disclose ~~such this~~ information under oath and/or may be declared  
18 ~~ineligible for public assistance by the county department of social services for as long as he fails~~  
19 ~~to cooperate. oath.~~ If the parent has not cooperated within three months of the child's  
20 birth, that parent shall be declared ineligible for any additional cash AFDC assistance for  
21 that child even if the birth arose through rape or incest and these offenses were reported  
22 to the appropriate law enforcement agency, unless the local department of social services  
23 determines that the safety and well-being of the parent or the child would be jeopardized  
24 by cooperation. Any determination that the parent has not cooperated shall be reviewed  
25 by the caseworker's supervisor and by the director of the local department of social  
26 services. Any social services worker making the determination that the birth arose  
27 through rape or incest shall follow all applicable law in ensuring that these crimes are  
28 prosecuted.

29       (b) Any parent who, having been cited to appear before a judge of the district court  
30 pursuant to subsection (a), fails or refuses to appear or fails or refuses to provide the  
31 information requested may be found to be in contempt of ~~said~~ court and may be fined not  
32 more than one hundred dollars (\$100.00) or imprisoned not more than six months or both.

33       ~~(e) Any parent who is declared ineligible for public assistance by the county~~  
34 ~~department of social services shall have his needs excluded from consideration in~~  
35 ~~determining the amount of the grant, and the needs of the remaining family members~~  
36 ~~shall be met in the form of a protective payment in accordance with G.S. 108-50."~~

37       Sec. 3. G.S. 105A-2(1)r. reads as rewritten:

38       "r. The North Carolina Department of Human Resources when in  
39 the performance of its ~~intentional program violation~~ collection  
40 duties for intentional program violations and violations due to  
41 inadvertent household error under the Food Stamp Program  
42 enabled by Chapter 108A, Article 2, Part 5, and any county  
43 operating the same Program at the local level, when and only to

1                   the extent such a county is in the performance of Food Stamp  
2                   Program intentional program-violation collection functions."

3       Sec. 4. (a)       The General Assembly establishes a Child and Family Services  
4 Interagency Council to focus on the need to ensure smooth, rational, efficient  
5 coordination of efforts across agency, departmental, and division lines throughout the  
6 entire, long-range process of welfare reform. This Council will continue until terminated  
7 by the General Assembly.

8       (b)       The General Assembly reestablishes the Legislative Study Commission on  
9 Welfare Reform to continue the work begun by the Commission established by Section  
10 47 of Chapter 24 of the 1993 Session Laws, Extra Session 1994.

11       Sec. 5.   The Department of Human Resources shall apply for all necessary  
12 waivers required by Sections 1 and 2 of this act from the federal government immediately  
13 as of the effective date of this section. If the federal government denies the waiver before  
14 the effective date of Sections 1 and 2 of this act or if the waiver has not been accepted by  
15 the effective date of these sections, these sections shall not become effective unless the  
16 General Assembly, in the next appropriations act passed after the denial, appropriates  
17 sufficient funds to make up for the loss of federal funds, in which case these sections  
18 shall become effective on the effective date of this appropriations act. If the waiver is  
19 denied or has not been accepted by the effective date of these sections, funds  
20 appropriated by this act shall be held by the State Treasurer in a special fund, which shall  
21 be released as appropriated if the General Assembly does meet this condition.

22       Sec. 6.   Unless otherwise provided, except for, and subject to, the conditions  
23 set forth in Section 5 of this act, Sections 1 and 2 of this act become effective October 1,  
24 1995. Section 3 of this act is effective upon ratification. Any limitation on services and  
25 benefits prescribed in Section 1 apply to agreements drawn up for applicants for public  
26 assistance applying on or after this date and apply to determinations or redeterminations  
27 of eligibility for benefits made on or after that date. Section 2 applies to births occurring  
28 on or after this date. Any appropriations made by this act become effective July 1, 1995.  
29 Sections 5 and 6 of this act are effective upon ratification.