

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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SENATE BILL 113
Children and Human Resources Committee Substitute Adopted 3/22/01
House Committee Substitute Favorable 7/19/01

Short Title: Cabarrus Work Over Welfare.

(Public)

Sponsors:

Referred to:

February 12, 2001

A BILL TO BE ENTITLED

1 AN ACT TO EXTEND THE CABARRUS COUNTY WORK OVER WELFARE
2 PROGRAM.
3

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Section 5 of S.L. 1998-106 reads as rewritten:

6 "Section 5. This act becomes effective July 1, 1995 and shall expire ~~July 1,~~
7 ~~2001.~~September 30, 2001."

8 **SECTION 2.** S.L. 1998-106, as amended by Section 1 of this act, reads as
9 rewritten:

10 "Section 1. Notwithstanding any law to the contrary, the Department of Health and
11 Human Services shall ~~designate~~continue designation of Cabarrus County as a pilot
12 county for the purpose of conducting a demonstration ~~Workfare Program~~welfare
13 reform program for certain Work First and Food Stamp recipients. Immediately upon
14 the ratification of this act, the Department shall ~~seek~~ensure that all federal waivers
15 necessary to allow this demonstration ~~program~~program to continue are obtained. To the
16 extent that this act or the program established pursuant to it conflicts with any State law,
17 the program supersedes that law.

18 Sec. 2. The Cabarrus County demonstration ~~Workfare~~Work Over Welfare Program
19 for certain Work First and Food Stamp recipients shall:

- 20 (1) Provide job opportunities to all able-bodied Work First and Food
21 Stamp recipients who are required to participate in the Work First
22 employment ~~program~~program;
- 23 (2) Create job opportunities in the public, the private, nonprofit, and the
24 private, for-profit sector, primarily in the human services areas by
25 allowing Cabarrus County to use grant diversions, consisting of the
26 Work First benefits and the cash value of Food Stamps that would be
27 paid to otherwise eligible recipients to match employer funds, to
28 subsidize the employment of these recipients. Human service area jobs

- 1 will meet such socially necessary needs as day care work, nursing
2 home aide work, and in-home aide work;
- 3 (3) Allow wages paid to these recipients, which contain grant-diverted
4 funds, to be exempt from income for purposes of determining
5 eligibility for assistance;
- 6 (4) Structure payment of wages to these recipients such that they will be
7 considered income, in order to make recipients eligible for the federal
8 earned income tax credit;
- 9 (5) Create work experience opportunities in the private sector more
10 realistically to reflect the world of work;
- 11 (6) Require these recipients to participate in the development of an
12 opportunity ~~contract~~, agreement outlining the responsibilities of the
13 recipient and agency, as well as the incentives for compliance and the
14 sanctions for noncompliance;
- 15 (7) Require all these recipients who participate in the program to pursue
16 and accept employment, full or part time, subsidized or unsubsidized,
17 as a condition for continued eligibility for Work First and Food Stamp
18 assistance;
- 19 (8) Require job search training of all participants;
- 20 (9) Require monitored job search of all participants until employment is
21 found or until other work activities of up to 40 hours per week are in
22 place;
- 23 ~~(10) Provide child care by allowing Cabarrus County to use grant
24 diversions, consisting of the child day care subsidies that would be
25 paid to otherwise eligible recipients, and transportation as required;~~
- 26 ~~(11)~~ (10) Create a positive work incentive by providing wage incentives to
27 participants who are in compliance with the program, ~~equal to the first
28 thirty dollars (\$30.00) and one third of the remainder of monthly gross
29 income for a period of up to two years;~~ program by using the job bonus
30 as outlined in the Work First Policy Manual for both Work First and
31 Food Stamp benefits;
- 32 ~~(12) Provide enhanced Food Stamp benefits after participants are employed
33 and are in program compliance by using the thirty dollar (\$30.00) and
34 one third of the remainder wage incentive as an income exemption;~~
- 35 ~~(13)~~ (11) Provide ~~(i) a pay for performance system that withholds the entire
36 Work First benefits for the household for the month following any
37 month in which it fails to comply with Work First participation
38 requirements and restores these benefits for the month following any
39 month in which it successfully complies with Work First participation
40 requirements, and, to ensure that children in sanctioned households are
41 not harmed, (ii) social worker monitoring and the use of direct vendor
42 payments or assistance from other community resources for rent,
43 utilities, or other basic needs of children, as necessary, during the~~

1 period in which the household is sanctioned; for a system in which the
2 Work First cash assistance case is terminated following the first month
3 of noncompliance, with restoration of assistance after the client agrees
4 to comply with requirements and files a new application. To ensure
5 that children in terminated households are not harmed, provide social
6 worker monitoring and the use of direct vendor payments or assistance
7 from other community resources for rent, utilities, or other basic needs
8 of children as necessary, during the period in which assistance for the
9 household is terminated. This period of social worker monitoring shall
10 coincide with the period of time that the household would have been,
11 as a Work First case, under a three-month pay-for-performance
12 sanction system and shall not exceed three months from the date of
13 termination.

14 ~~(14)~~ (12) Provide automatic Medicaid coverage for children and pregnant adults
15 of sanctioned families by transferring the children administratively to
16 the Medicaid for Indigent Children (MIC) Program and by transferring
17 the pregnant adults administratively to the Medicaid for Pregnant
18 Women (MPW) Program. Provide for all individuals to be evaluated
19 for ongoing Medicaid and children to be evaluated for Health Choice
20 eligibility any time Work First terminates. This act shall not alter any
21 individual's eligibility for Medicaid or Health Choice as set out in
22 State and Federal law or regulation.

23 (13) Require that a recipient who voluntarily terminates employment
24 without good cause be ineligible for Work First until the individual
25 returns to work, provided work opportunities are available. Provide
26 employment services for 30 days to assist the individual in obtaining
27 employment;

28 (14) Require applicants for Work First to meet with child support staff
29 within 10 days of application. Failure or refusal to pursue child support
30 without good cause is grounds for denial of benefits;

31 (15) Provide that an applicant may be eligible for a one-time Work First
32 diversion payment in an amount not exceeding one thousand two
33 hundred dollars (\$1,200). Applicants receiving the diversion payment
34 shall not be eligible for ongoing Work First benefits for a period of
35 three months from the date of receipt of the diversion payment.
36 Individuals receiving a diversion payment must attend budgetary
37 counseling and may be required to have a protective payee for the
38 diversion payment;

39 (16) Provide that the period of exemption from participation in employment
40 services for a parent of a newborn child is three months. If a recipient
41 returns to work within six weeks of childbirth, the recipient may
42 reclaim the remainder of the three-month exemption if the recipient
43 chooses not to continue working during the initial six-week period;

1 (17) In ongoing Work First cases, require family reassessment of service
2 needs when the family circumstance changes due to an able-bodied,
3 financially responsible adult moving into the home. Family
4 reassessment may result in benefit diversion, change in services, or
5 termination from Work First program participation;

6 (18) Not sanction individuals who demonstrate that they cannot meet
7 program requirements because necessary child care is not available.

8 Sec. 3. This act shall be funded by Cabarrus County using ~~the available~~ grant
9 diversions and administrative transfers, ~~transfers prescribed in Section 2 of this act,~~
10 together with federal and State administrative funding allocated to Cabarrus County for
11 the public assistance programs.

12 Sec. 4. The Department of Health and Human Services shall evaluate the Cabarrus
13 County Demonstration Project and report to the General Assembly and to the Joint
14 Legislative Public Assistance Commission on or before September 1, ~~1998-2002~~.

15 Sec. 5. This act becomes effective July 1, 1995 and shall expire on ~~July 1,~~
16 ~~2001-September 30, 2003.~~"

17 **SECTION 3.** This act is effective when it becomes law.