

STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN
GOVERNOR

DEVDDUTTA SANGVAI
SECRETARY

April 1, 2026

SENT VIA ELECTRONIC MAIL

Mr. Brian Matteson, Director
Fiscal Research Division
Suite 619, Legislative Office Building
Raleigh, NC 27603-5925

Dear Director Matteson:

North Carolina General Statute 108A-27.12(g) requires the Department of Health and Human Services to report on the extent to which State and counties are meeting federal maintenance of effort under Temporary Assistance for Needy Families and on any realignment of funds. Pursuant to the provisions of law, the Department is pleased to submit the attached report for the quarters ending September 30, 2025 and December 31, 2025.

Should you have any questions regarding this report, please contact Karen Wade, Director of Policy, at Karen.Wade@dhhs.nc.gov.

Sincerely,

Signed by:
 on behalf of Devdutta Sangvai
557EC4A9B45442E...
Devdutta Sangvai
Secretary



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN
GOVERNOR

DEVPUTTA SANGVAI
SECRETARY

April 1, 2026

SENT VIA ELECTRONIC MAIL

The Honorable Benton Sawrey, Chair
Senate Appropriations Committee on
Health and Human Services
North Carolina General Assembly
Room 521, Legislative Office Building
Raleigh, NC 27603

The Honorable Jim Burgin, Chair
Senate Appropriations Committees on
Health and Human Services
North Carolina General Assembly
Room 620, Legislative Office Building
Raleigh, NC 27603

The Honorable Amy Galey, Chair
Senate Appropriations Committee on
Health and Human Services
North Carolina General Assembly
Room 311, Legislative Office Building
Raleigh, NC 27603

Dear Chairmen:

North Carolina General Statute 108A-27.12(g) requires the Department of Health and Human Services to report on the extent to which State and counties are meeting federal maintenance of effort under Temporary Assistance for Needy Families and on any realignment of funds. Pursuant to the provisions of law, the Department is pleased to submit the attached report for the quarter ending September 30, 2025 and December 31, 2025.

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STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN
GOVERNOR

DEVDUTTA SANGVAI
SECRETARY

April 1, 2026

SENT VIA ELECTRONIC MAIL

The Honorable Donna White, Chair
House Appropriations Committee on
Health and Human Services
North Carolina General Assembly
Room 307, Legislative Office Building
Raleigh, NC 27603

The Honorable Larry Potts, Chair
House Appropriations Committees on
Health and Human Services
North Carolina General Assembly
Room 307B1, Legislative Office Building
Raleigh, NC 27603

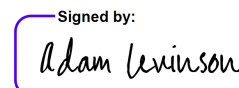
The Honorable Timothy Reeder, Chair
House Appropriations Committee on
Health and Human Services
North Carolina General Assembly
Room 416B, Legislative Office Building
Raleigh, NC 27603

Dear Chairmen:

North Carolina General Statute 108A-27.12(g) requires the Department of Health and Human Services to report on the extent to which State and counties are meeting federal maintenance of effort under Temporary Assistance for Needy Families and on any realignment of funds. Pursuant to the provisions of law, the Department is pleased to submit the attached report for the quarter ending September 30, 2025 and December 31, 2025.

Should you have any questions regarding this report, please contact Karen Wade, Director of Policy, at Karen.Wade@dhhs.nc.gov.

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557EC4A9B45442E... on behalf of Devdutta Sangvai
Devdutta Sangvai
Secretary

SFY 2025-2026
Quarterly Report of Temporary Assistance for Needy Families Maintenance of Effort (TANF MOE) as Required by GS 108A-27.12
Expenditures through the Second Quarter (December 30, 2025) Due on April 1, 2026

* Baseline TANF MOE Requirement - SFY 25-26

\$ 172,643,139

	Projected SFY 2025-26 MOE			SFY 2025-26 MOE Recorded In North Carolina Financial System (NCFS) July 1, 2025 - December 30, 2025		
MOE Items from Business Plan	State	County	Total	State	County	Total
A. TANF DIRECT PROGRAM COSTS						
1. Work First County Block Grant - Total	\$ -	\$ 110,945,382	\$ 110,945,382	\$ -	\$ 84,950,781	\$ 84,950,781
2. State Administration (Division of Social Services)	\$ 2,137,767	\$ -	\$ 2,137,767	\$ 2,137,767	\$ -	\$ 2,137,767
3. State Administration (Central Administration)	\$ 101,520	\$ -	\$ 101,520	\$ 48,047	\$ -	\$ 48,047
4. TANF Automation Projects (Information Technology Division)	\$ 250,000	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ 250,000
TOTAL DIRECT TANF PROGRAM COSTS	\$ 2,489,288	\$ 110,945,382	\$ 113,434,669	\$ 2,435,814	\$ 84,950,781	\$ 87,386,595
B. Division of Child Development and Early Education						
1. Non Smart Start Subsidy through DCDEE	\$ 22,301,101	\$ -	\$ 22,301,101	\$ 12,300,373	\$ -	\$ 12,300,373
2. Smart Start Subsidy through DCDEE	\$ 13,715,627	\$ -	\$ 13,715,627	\$ 9,404,764	\$ -	\$ 9,404,764
3. Smart Start Subsidy through NC Partnership for Children	\$ 10,319,410	\$ -	\$ 10,319,410	\$ 5,259,332	\$ -	\$ 5,259,332
4. **NC Pre-K	\$ 12,872,331	\$ -	\$ 12,872,331	\$ 12,872,331	\$ -	\$ 12,872,331
TOTAL DCDEE PROVIDED MOE	\$ 59,208,470	\$ -	\$ 59,208,470	\$ 39,836,800	\$ -	\$ 39,836,800
TOTAL	\$ 61,697,757	\$ 110,945,382	\$ 172,643,139	\$ 42,272,615	\$ 84,950,781	\$ 127,223,395

* TANF MOE provisions include specified state spending levels and general requirements on the use of funds. For example, these provisions require that each state spend at least 80 percent (75 percent if the state meets certain performance standards) of the amount it spent on welfare and related programs in fiscal year 1994, before TANF was created. The baseline TANF MOE for North Carolina is \$172,643,139. North Carolina has had difficulty meeting the two-parent participation rate performance standard and therefore has been required to meet the 80 percent requirement. (45 CFR 263.1) In addition, state law requires the Department to maintain the state's MOE at 100% of the 1996-97 certified budget. (N.C.G.S. 108A-27.12)

**NC Pre-K expenditures reflect the amount that is counted towards meeting the baseline TANF MOE for North Carolina for SFY 2025-26. Total TANF MOE allowable NC Pre-K expenditures may exceed the amount that is counted towards meeting the baseline TANF MOE.

SFY 2025-2026
Quarterly Report of Temporary Assistance for Needy Families Maintenance of Effort (TANF MOE) as Required by GS 108A-27.12
Expenditures through the First Quarter (September 30, 2025) Due on January 1, 2026

* Baseline TANF MOE Requirement - SFY 25-26

\$ 172,643,139

	Projected SFY 2025-26 MOE			SFY 2025-26 MOE Recorded In North Carolina Financial System (NCFS) July 1, 2025 - September 30, 2025		
MOE Items from Business Plan	State	County	Total	State	County	Total
A. TANF DIRECT PROGRAM COSTS						
1. Work First County Block Grant - Total	\$ -	\$ 110,945,382	\$ 110,945,382	\$ -	\$ 38,256,828	\$ 38,256,828
2. State Administration (Division of Social Services)	\$ 2,137,767	\$ -	\$ 2,137,767	\$ 1,005,031	\$ -	\$ 1,005,031
3. State Administration (Central Administration)	\$ 101,520	\$ -	\$ 101,520	\$ 30,633	\$ -	\$ 30,633
4. TANF Automation Projects (Information Technology Division)	\$ 250,000	\$ -	\$ 250,000	\$ (35,377)	\$ -	\$ (35,377)
TOTAL DIRECT TANF PROGRAM COSTS	\$ 2,489,288	\$ 110,945,382	\$ 113,434,669	\$ 1,000,287	\$ 38,256,828	\$ 39,257,114
B. Division of Child Development and Early Education						
1. Non Smart Start Subsidy through DCDEE	\$ 22,301,101	\$ -	\$ 22,301,101	\$ 5,889,967	\$ -	\$ 5,889,967
2. Smart Start Subsidy through DCDEE	\$ 13,715,627	\$ -	\$ 13,715,627	\$ 6,379,943	\$ -	\$ 6,379,943
3. Smart Start Subsidy through NC Partnership for Children	\$ 10,319,410	\$ -	\$ 10,319,410	\$ 2,214,054	\$ -	\$ 2,214,054
4. **NC Pre-K	\$ 12,872,331	\$ -	\$ 12,872,331	\$ 7,937,342	\$ -	\$ 7,937,342
TOTAL DCDEE PROVIDED MOE	\$ 59,208,470	\$ -	\$ 59,208,470	\$ 22,421,306	\$ -	\$ 22,421,306
TOTAL	\$ 61,697,757	\$ 110,945,382	\$ 172,643,139	\$ 23,421,593	\$ 38,256,828	\$ 61,678,421

* TANF MOE provisions include specified state spending levels and general requirements on the use of funds. For example, these provisions require that each state spend at least 80 percent (75 percent if the state meets certain performance standards) of the amount it spent on welfare and related programs in fiscal year 1994, before TANF was created. The baseline TANF MOE for North Carolina is \$172,643,139. North Carolina has had difficulty meeting the two-parent participation rate performance standard and therefore has been required to meet the 80 percent requirement. (45 CFR 263.1) In addition, state law requires the Department to maintain the state's MOE at 100% of the 1996-97 certified budget. (N.C.G.S. 108A-27.12)

**NC Pre-K expenditures reflect the amount that is counted towards meeting the baseline TANF MOE for North Carolina for SFY 2025-26. Total TANF MOE allowable NC Pre-K expenditures may exceed the amount that is counted towards meeting the baseline TANF MOE.