### 1999

### HOUSE WELFARE REFORM COMMITTEE

**MINUTES** 

### HOUSE WELFARE REFORM COMMITTEE

MEMBERS
BEVERLY EARLE, CHAIR
STAN FOX, CHAIR
ALMA ADAMS, VICE CHAIR
MARTHA ALEXANDER
RICK EDDINS
RICHARD MORGAN
TRUDI WALEND
LARRY WOMBLE

STAFF JO MCCANTS JOHN YOUNG

COMMITTEE ASSISTANTS
MARY CAPPS
ANN RAEFORD

### HOUSE WELFARE REFORM

### 1999-2000 SESSION

Member/Assistant	Telephone	Room
Rep. Beverly <b>Earle</b> , Chair Ann Raeford	3-5747	535
Rep. Stanley Fox, Chair Mary Capps	3-5757	1217
Rep. Alma <b>Adams</b> , Vice Chair Troy Williams	3-5902	542
Rep. Martha <b>Alexander</b> Ann Faust	3-7208	2121
Rep. Rick <b>Eddins</b> Dorie Monroe	3-5800	1319
Rep. Richard <b>Morgan</b> Dixie Epps	5-3011	418B
Rep. Trudi <b>Walend</b> Ken Walend	5-3012	418A
Rep. Larry <b>Womble</b> Phillis Cameron	3-5777	537
Staff		
Jo McCants John Young	3-2578	545



### **ATTENDANCE**

### WELFARE REFORM COMMITTEE

### 1999-00 SESSION

(Name of Committee)

(Name of Committee)													
DATES	2- 25- 99	3- 11- 99	3- 18- 99	3- 25- 99	4- 08- 99	4- 15- 99	4- 22- 99	5- 20- 99	6- 08- 99	7- 01- 99			
EARLE, BEVERLY CHAIR	X	X		X			X	X	X	X			
FOX, STAN CHAIR	X		X	Х		X	X	X	X	X			
ADAMS, ALMA VICE CHAIR	X	X	X	X	X	X	X	X	X	X			
ALEXANDER, MARTHA	X	X	X	X	X			X		X			
EDDINS, RICK	X	X		X									
MORGAN, RICHARD													
WALEND, TRUDI		X	X	X	X	X	Х	X	X	X			
WOMBLE, LARRY	X	X	X	X	X	X	X	X	X	X			
EX-OFFICIO													
BADDOUR, PHIL										х			
CUNNINGHAM, PETE										Х			
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### NORTH CAROLINA GENERAL ASSEMBLY COMMITTEE SUMMARY REPORT

AUG-1999	OUT DATE	07-01-99		
Valid Through 3-AUG-1999	IN DATE	04-15-99	04-15-99	04-15-99
	LATEST ACTION ON BILL	*H -RE-REF COM ON APPROP	H -REF TO COM ON WEL REF	H -REF TO COM ON WEL REF
HOUSE: WELFARE REFORM				
HOUSE:	SHORT TITLE	WELFARE LAW CHANGES	WELFARE REFORM CHANGES	WELFARE REFORM CHANGES
1999-2000 Biennium	INTRODUCER	ADAMS	EARLE	EARLE
1999-200	BILL	H1243	H1255=	H1257=

NOTES- = AFTER BILL NUMBER SHOWS THAT BILL IS IDENTICAL, AS INTRODUCED, TO ANOTHER BILL.
\* AFTER NUMBERS INDICATES THAT TEXT OF BILL WAS ALTERED BY ACTION ON THE BILL.
BOLDED LINE INDICATES BILL INDEXED AS AFFECTING APPROPRIATIONS.

### HOUSE WELFARE REFORM

### AGENDA FEBRUARY 25, 1999 12:00 PM

**OPENING:** 

REP. BEVERLY EARLE CHAIR

PRESENTATION: WORK FIRST OVERVIEW

PHEON BEAL

### HOUSE WELFARE REFORM

### Minutes February 25, 1999 12:00

The House Committee on Welfare Reform met on Thursday, February 25, 1999, at 12 noon, in Room 415 of the Legislative Office Building.

House Co-Chair, Rep. Beverly Earle presided. Other House members present were Representative Stanley Fox, Co-Chair, and Representative Alma Adams, Vice Chair, and Representatives Martha Alexander, Rick Eddins, and Larry Womble.

Representative Beverly Earle called the meeting to order at 12:00. The meeting was opened with the introduction of each Member, and their goals for the Session. The Chair recognized Pheon Beal from the Economic Independence Section, Division of Social Services, to give an up-date of the Work First Program. Her presentation focused on items such as, Length of Time Families Have Been on Work First from January 1995 through January 1999, Work First Caseload Over Time, Work First Family with Earned Income, and Subsidized Child Care Expenditures from 1994 through 1998. (See Attachment II)

The Committee received comments and answers to some of the Members' questions from Ms. Beal, Social Services, and Jane Smith; North Carolina Department of Social Services.

Nearing time of adjournment, the presentation was completed.

House Welfare Reform Minutes February 25, 1999 Page Two

Rep. Beverly Earle announced that the date of the next meeting would be given at a later day.

The meeting was adjourned at 12:55 P.M.

Respectfully submitted,

Presiding Co-Quair - Representative Beverly Earle

Ann Raeford, Clerk

Attachment I

Attachment II

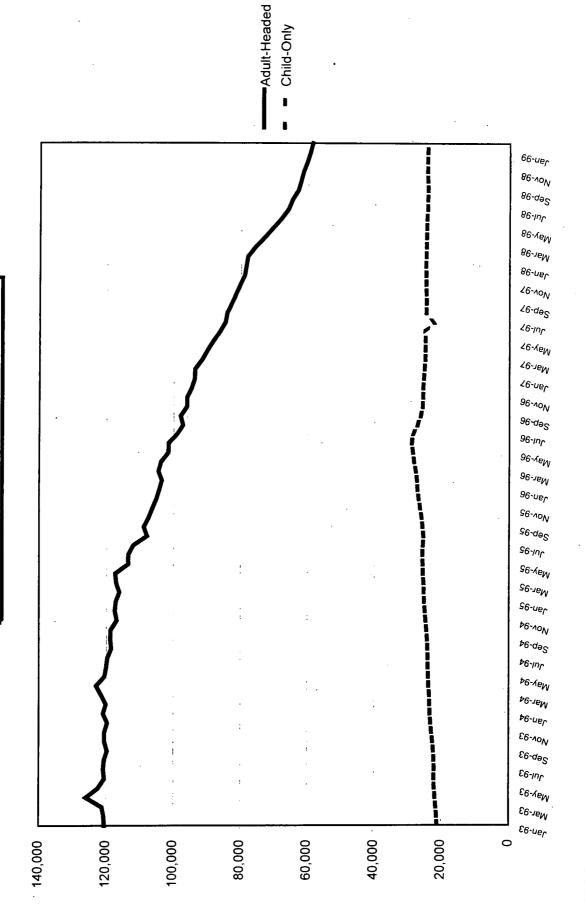
Attachment III

Agenda

Work First

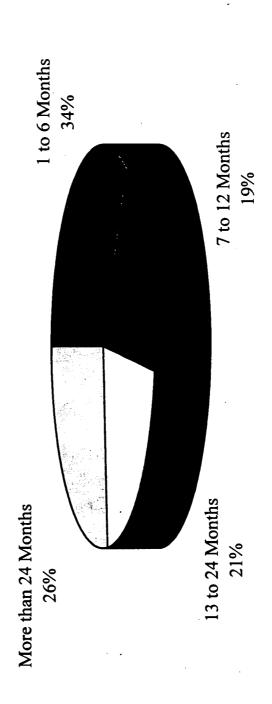
Visitor Registration

## **WORK FIRST CASELOAD OVER TIME**



DSS/Economic Independence 2/24/99

# Length of Time Families Have Been on Work First, January 1995 through January 1999

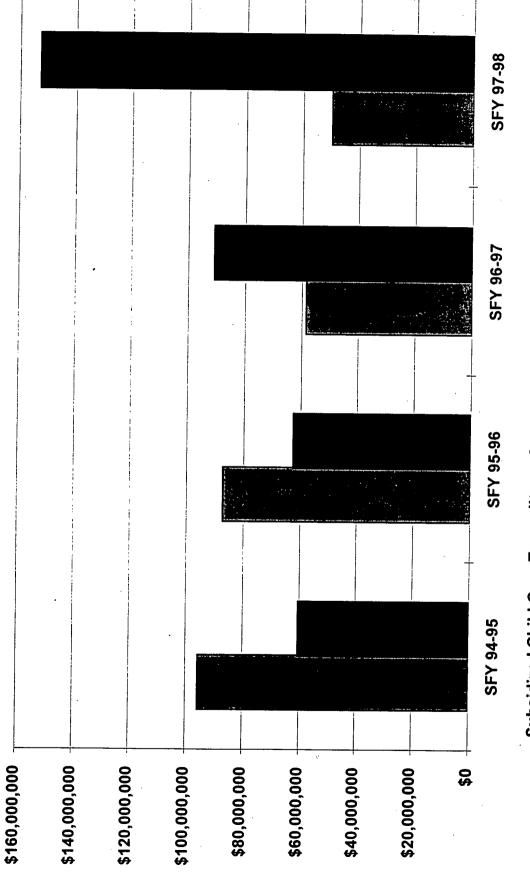


## Work First Family with Earned Income

Hourly Wages	Total	Earnings	Work First	Food	(FICA Tax) (Federal	(Federal	EITC
0 hrs/week \$0.00/hour	\$593.	0\$	\$272	\$321	(0\$)	(\$0)	\$0
20 hrs/week \$5.15/hr	\$1385	\$443	\$164	\$248	(\$34)	(0\$)	\$177
35hrs/week \$5.15/hr	\$2053	\$775	\$54	\$178	(\$28)	(0\$)	\$305
35 hrs/week \$6.50/hr	\$2100	\$978	\$0	\$129	(\$75)	(\$0)	\$305

This illustrates a family consisting of a single adult and two children living in North Carolina who moves from full Work First Family Assistance to first part-time then full-time minimum wage employment and then into higher wage

### Subsidzed Child Care Expenditures\* SFY 1994-95 through SFY 1997-98



Subsidized Child Care Expenditures for:

Children in Families Receiving Cash Assistance

■Children in Families At Risk for Welfare - Not Receiving Cash Assistance

### **VISITOR REGISTRATION SHEET**

STATE PERSONNEL COMMITTI	EE Feb 25, 1999
Name of Committee	Date
VISITORS: PLEASE SIGN BELOW AN	ND RETURN TO COMMITTEE CLERK
NAME	FIRM OR AGENCY AND ADDRESS
Roslyn Switt	we child come coalition
Christina Medlin	Covenant w/ NCs Children
Thanon Hisch	NC Deal Services Consortrum
Soven Schmidt	NCJCOC
Dane Smill	NCDS5
Tilly count	DHHS
michile Garrett	(nest ni celes
SCATIA. JOHASON	NC DHI+S BP+A
(Hoen ted	122 DH HS
Pain Seemans	NC Social Services Consortium
Adam Searing	NCHAC
Brunnies	1C Equile
Conque Cony	Media Genale Day
OWIGHT ETSTAHOWER	MILITARY-INOUSTRIAL COMPLEX
LESLIE BONEY	Dept. of Commerce
Kuida Mutchell	MYTRIC
Short MCCai	nc Hunger Nedwark
Wollet Bounder.	HPPCNC/SCSL
Patri Janen	HPPCNC/SCSL
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### HOUSE WELFARE REFORM

### AGENDA MARCH 11, 1999 12:00

**OPENING** 

REP. BEVERLY EARLE

**OVERVIEW** 

JO MCCANTS JOHN YOUNG

**SUMMARY** 

**PHEON BEAL** 

### HOUSE WELFARE REFORM

MINUTES MARCH 11, 1999 12:00PM

The meeting was called to order by the Co-Chair, Representative Beverly Earle. The meeting opened with the introduction of Pages. She thanked each one for being with us for the meeting. The Members that were present were, Representative Alma Adams, Vice Chair, Representatives Martha Alexander, Rick Eddins, Trudi Walend, and Larry Womble, She then gave way to Jo McCants, Staff, to give an Overview of Welfare Reform.

Ms. McCants gave a brief overview of the statutory changes that were made during the 1997-1998 Session concerning Work First Program. She highlighted only a few of the changes, because there has been some concerns about those provisions. The first change was that the name of the program was changed from The Aid to Families With Dependent Children to Work First Program. She went on to explain the Bio-Metric System, which is an identification system for recipients. You must provide this form of identification to be eligible for Attachment II) assistants. She explained the difference between Electing Counties and Standard Counties. Electing Counties, are counties that elect to develop and is approved to administer a local Work First Program. A Standard County, is a county that participates in a program that is developed by the department. Another topic of interest is the Substance Abuse Treatment Requirements. (See Attachment IV) Any recipient, who has an addiction to drugs or alcohol of the Work First, must obtain treatment if the funds are available. The last topic of concern is Transportation. This is a major issue when you look at the Work First Program. The city or county can convey without compensation certain vehicles that can be used to get recipients to Ms McCants ended her presentation stating that these were only a few changes that were made, but were of the utmost concerns. (See Attachment V)

Rep. Earle thanked Ms McCants for her presentation and the floor was opened for questions. At this time Pheon Beal, from the Economic Independence Section, Division of Social Services answered the questions and concerns.

Ms Beal gave a summary of the eligibility provision for Work First Standard county Program. She gave a step by step description of how a parent might move through the application process and how the process varies from county to county depending on their staffing, and workload demands.

House Welfare Reform Minutes March 11, 1999 Page Two

Ms Beal indicated that two reports have been received from private companies. The state contracted these two groups to conduct a welfare reform evaluation in order to meet the 1995 federal requirements. The reports are being reviewed, before they are released. A full presentation on the reports will be released in April.

Rep. Earle, Co-Chair, stated she hoped some legislation would come out of this committee this session.

The meeting adjourned at 12:50pm.

Respectfully submitted,

Presiding Co-Chair, Representative Beverly Earle

Ann Raeford, Committee Clerk

Attachment I

Attachment II 1997-98 Welfare Reform Initiatives and

Agenda

Conforming Changes

Attachment III Statutory Changes

Attachment IV Work First Standard Program
Attachment V Electing County Work First Plans

Attachment VI Visitor Registration

### 1997-98 WELFARE REFORM INITIATIVES AND CONFORMING CHANGES

Program title changed from "Aid to Families with Dependent Children" to "Work First Program."

### Creation of Recipient Identification System (Biometric-System). G.S. 108A-25.1

• Recipients of Work First, Food Stamps, and Medical Assistance must be fingerprinted. Biometric identification is a condition of eligibility. An exception is made for institutionalized adults and children under the age of 18 unless they are a minor parent applying for assistance.

### Exemption for individuals convicted of certain drug offenses. G.S. 108A-25.2

• Individuals who have been committed to custody or convicted of certain drug related offenses may apply for assistance 6 months after release or after the conviction. Eligible individuals may be required to undergo substance abuse treatment if funds and programs are available.

### Description of Work First Program and Work First Program Changes. G.S. 108A-27

- 1) The Work First Program must include: program administration, First Stop Registration, Work First Diversion Assistance, Work First Family Assistance, and Work First Services.
- 2) Any changes to the Work First Program to comply with federal law must be reported to the Joint Legislative Public Assistance Commission and included in the State Plan submitted during the next session of the General Assembly.
- 3) The Department must allow counties to be designated as either an Electing County or Standard County in the Work First Program. The county's request of a particular designation must be supported by three-fifths of the county's county commissioners. A county that desires to be redesignated must make a request at least 6 months prior to the effective date of the next state plan.
  - a). An Electing County is a county that elects to develop and is approved to administer a local Work First Program.
  - b). A Standard Program County is a county that participates in the Standard Work First Program developed by the Department.

### Funding. G.S. 108A-27.11

This provision sets forth how the Work First Program is funded. The County Block Grants, except
funds for Work First Family Assistance, are computed based on the percentage of each counties AFDC
and JOBS expenditures to actual statewide expenditures for those programs in the 1995-96 fiscal year.
This computation does not include funds expended for cash assistance.

### Maintenance of Effort (MOE). G.S. 108A-27.12

• The Department is required to maintain the States MOE at 100% of the State certified budget enacted during fiscal year 1996-97, counties also have to maintain 100% MOE. If a county fails to comply with the MOE requirement, the Director of Budget may withhold State monies appropriated to the county pursuant to G.S. 108A-93 (counties responsibility to pay its share of public assistance costs).

<sup>&</sup>lt;sup>1</sup> First Stop Registration – a program established within the ESC to help Work First Recipients obtain employment.

<sup>&</sup>lt;sup>2</sup> Work First Diversion Assistance- a short-term cash payment intended to substantially reduce the likelihood of a family requiring

<sup>&</sup>lt;sup>3</sup> Work First Family Assistance – a time limited periodic payment to assist the children of eligible families while the adult family members prepare to enter the workplace.

<sup>&</sup>lt;sup>4</sup> Work First Services – services funded from appropriations and designed to facilitate the purposes of the Work First Program.

### Performance Standards. G.S. 108A-27.13

• The Department must establish acceptable levels of performance for Standard Program Counties in meeting Work First expectations. The performance of Electing Counties is based on the county's ability to attain the outcomes and goals established in the county's plan.

### Corrective Action. G.S. 108A-27.14

- When a county fails to meet acceptable levels of performance. The Department may assist the county by doing the following:
  - Notifying the county of the deficiencies and adding additional monitoring and reporting requirements.
  - Requiring the county to develop and submit for approval by the Department a corrective action plan.

### Time Limitations on Assistance. G.S. 108A-27.1

• Standard Program: cash assistance provided to a person or family in the employment program will only be provided for a cumulative of 24 months unless an extension or exemption is applied. A family may reapply for cash assistance after 36 months have passed since the last month the family received cash assistance. (An exception is made for electing counties because their program may set any time limitation it deems appropriate, so long as the limitation does not conflict with or exceed any federal time limitation.)

### Sanctions and Appeals Procedures - G.S. 108A-27.9

Recipients who are sanctioned are to be given a clear explanation of the sanctions and are to be fully
informed of their right to legal counsel and any other representation they choose at their own costs. In
addition, all Work First Plans must have provisions ensuring that a participant has access to grievance
procedures to resolve complaints of workplace discrimination, wage and hour laws; health and safety
issues, and other job related matters.

### First Stop Employment Assistance. G.S. 108A-29

• Established the First Stop Employment Assistance Program in the Department of Commerce, Employment Security Commission. Individuals seeking to apply for to the Work First Program shall register with this Program unless exempted.

### Substance Abuse Treatment Requirement. G.S. 108A-29.1

Any applicant or current recipient of Work First benefits who has an addiction to drugs or alcohol and
is in need of professional substance abuse treatment services must obtain such treatment as a condition
of Work First benefits.

### Conveyance of Surplus Vehicles. G.S. 160A-279(a)

• Any city or county may convey, without compensation to any public or private entity surplus vehicles upon the condition that the vehicles be re-conveyed to persons receiving Work First assistance.

### Inspector General. G.S. 114-40

• Established in the Department of Justice an Office of Inspector General. This office provides a central location for coordinating activities related to detection, prosecution, and prevention of fraud, abuse, and waste in means-tested public assistance programs.

### Internal Audit. G.S. 143B-216.50

• Established in the DHHS to promote accountability, integrity, and efficiency within the Department.

### Joint Legislative Public Assistance Commission. G.S. 120-225

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• Established the Joint Legislative Public Assistance Commission to monitor the implementation of the State's Work First Program. The Commission is composed of 10 members appointed by the Speaker of the House and 10 members appointed by the President Pro Tempore of the Senate. The Department is required to report any change made to the State Plan to the Commission within 60 days of making the change.

### The State Plan. G.S. 108A-27.9

• Mandates that the Department submit a biennial State Plan that proposes the goals and requirements for the State and the terms of the Work First Program for each fiscal year. The Plan must contain generally applicable provisions and two separate sections, one proposing the terms of the Work First Program in Electing Counties, and the other proposing the terms for the Standard Work First Program. (A copy of the State Plan is contained in your notebook.)

### 1. General Duties of the Department. G.S.-108A-27.2:

- ensure that the general provisions of the State Plan regarding the appropriate procedures to follow when a recipient is sanctioned is uniformly developed and implemented across the State:
- provide technical assistance to counties developing and implementing their plans:
- describe authorized federal and state work activities;
- define requirements for assignment of child support income and compliance with child support activities;
- ensure that county plans comply with federal and state laws and are consistent with the goals of the Work First Program;
- monitor and evaluate the impact of the Work First Program on children and families;
- monitor the performance of counties relative to their county plans and the overall goals of the Work First Program and report semi-annually on the counties' attainment of the outcomes and goals;
- report quarterly on the performance of counties in achieving Work First Program expectation

### 2. Duties of the Department – Electing Counties (G.S. 108A-27.5):

- coordinate activities of other state agencies providing technical support to counties developing their county plan;
- upon request, provide assistance to counties in their activities with the private sector and organizations relative to the county plan;
- establish the baseline for the State maintenance of effort.

### 3. Duties of the Department – Standard Program Counties (G.S.- 108A-27.8):

- establish, develop, supervise, and monitor the Standard Work First Program;
- · establish the requirements for County Plans;
- review and approve the County Plans submitted by the Standard Program Counties;
- advise and assist the Social Services Commission in adopting appropriate rules;
- supervise disbursement of county block grants to the Standard Program Counties;
- make payments of Work First Family Assistance and Work First Diversion Assistance;
- coordinate activities of other State and county agencies in meeting the goals of the Work First Program;
- work with State and county agencies and the private sector to develop the means to meet the goals of the Work First Program;
- develop a Mutual Responsibility Agreement for use by Standard Program Counties.

### MARKS IN LEFT MARGIN INDICATE CHANGES FROM THE MAY 15, 1998 DRAFT OF THE PLAN

### **NORTH CAROLINA'S**

### STATE PLAN FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

P.L. 104-193

THE WORK FIRST PROGRAM

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF SOCIAL SERVICES

Amended December 17, 1998

### **WORK FIRST STATE PLAN**

Temporary Assistance for Needy Families

### Introduction

North Carolina launched its comprehensive, statewide approach to moving families from welfare to work in July, 1995, through Work First, Governor Jim Hunt's welfare reform initiative. From the beginning, Work First represented a fundamental shift in the state's welfare policies and program and is breaking the cycle of welfare dependency in North Carolina.

Work First means what it says. Work is required for families on welfare. Work First is based on the premise that parents have a responsibility to support themselves and their children. Through Work First, parents can get short-term training and families can get child care assistance and other services to help them become self-sufficient, but ultimately the responsibility is theirs, and they have two years to move off welfare.

In any given month, depending on how many families come into the system, how long they stay, and how many leave, the number of families on welfare rises or falls. Recognizing this, Work First emphasizes three strategies:

- 1. Diversion: Keeping families off welfare by helping them cope with unexpected emergencies or set-backs.
- 2. Under Work First, qualifying families can get up to three months worth of cash Diversion Assistance, child care, food stamps, and Medicaid, if they stay off of welfare. Work: Shortening the length of time that families are on welfare by making work mandatory and by limiting how long a family can receive cash assistance.
  - To receive Work First benefits, parents must register with the First Stop Employment Assistance Program, sign a Mutual Responsibility Agreement and, once they move into the phased-in work requirement, they can continue to receive benefits for up to 24 months. Families reaching the 24-month limit cannot reapply for welfare for three years.
- 3. Retention: Helping families that leave welfare to stay off by encouraging them to save and by helping to make sure they really are better off working than on welfare.
  - Work First increased limits on savings and cars, and the state legislature raised income eligibility limits for subsidized child care to ease the burden on low-income, working families. Counties are also providing retention services, such as transportation, for families who leave the rolls because they got a job to help them stay employed.

Under the federal welfare block grant (Temporary Assistance for Needy Families), the consequences of rising caseloads during an economic downturn have increased significantly. The ceiling on federal funding and the five-year lifetime limit on benefits mean that states not only must help families move toward self-sufficiency, they must help ensure that former welfare families (and low-income working families, in general) have the support they need to remain self-sufficient. Through Work First, the number of families on welfare in North Carolina has dropped over 47 percent, from 113,485 in June 1995, to 60,296 at the beginning of December 1998. Ultimately, North Carolina's goal is to help all families move to self-sufficiency. Most will make it all the way; some, because of hardship or disability, may have a harder time. All families can and should help to support themselves.

Welfare-to-Work is a federal initiative that focuses on assisting welfare recipients with the most

significant barriers to self-sufficiency. In North Carolina, the Department of Commerce is the lead agency for this effort. A Welfare-to-Work plan, developed in coordination with the Department of Health and Human Services, has been approved by the US Departments of Labor. The approved Welfare-to-Work plan is considered an addendum to the State TANF Plan.

### PUBLIC INVOLVEMENT

In August 1995, when it appeared that a federal welfare block grant would soon become reality, the North Carolina Local Government Partnership Council, created by executive order and chaired by the state's Lieutenant Governor, appointed a Human Services Task Force in an effort to reach consensus on a state plan. The Task Force, involving more than 80 people representing a wide range of advocates, public and nonprofit agencies, religious groups, and individuals (including legislators, county officials, low-income families, and former welfare recipients), met a number of times over five months. The Task Force began crafting a response broadly based on increased flexibility in exchange for accountability for moving families to self-sufficiency.

On September 18, 1996, the Task Force again convened after enactment of the federal welfare reform bill. The Task Force agreed that the state should pursue both short-term and long-term plans of action. In the short-term, North Carolina submitted a state plan based largely on North Carolina's existing Work First Program, including federal waivers approved by the US Department of Health and Human Services in February 1996, which took effect on July 1, 1996. This initial plan allowed the state to continue its present course with as few disruptions as possible to Work First and to obtain federal funds at the higher "capped" level established in the new law. The Task Force then began the longer-term strategy to develop a new, comprehensive state plan.

The 80-plus members of the Human Services Task Force were joined by county commissioners and managers, legislators, directors of county departments of social services, and others, including Department of Health and Human Services staff. This diverse group of nearly 200 people was assembled in 14 work groups to develop a long-term plan for Work First in North Carolina. The work groups, listed below, developed recommendations that have been incorporated into this state plan.

### Welfare Reform Work Groups

State/County Relations
Work & Benefits
Child Care
Health Care
Legal Issues
Transportation

Budget
Community Involvement
Organizational Development
Mental Health & Substance Abuse

Fraud & Abuse Child Support

### SUBSEQUENT STATE WELFARE REFORM LEGISLATION

In August 1997 and again in October 1998, the North Carolina General Assembly passed, and Governor Hunt signed into law, far reaching welfare reform legislation. This legislation mandates a number of provisions that will be described herein as program requirements. However, one provision of this legislation is the ultimate devolution of TANF program development to local governments. The legislation refers to counties as Standard or Electing. Standard Counties will operate the State's Work First Program while Electing Counties will be given additional flexibility in program design. Counties had to notify the Department of their desire to be designated as an Electing or Standard County by October 31, 1997.

All counties, Standard and Electing, have maximum flexibility in designing their employment programs to meet local needs. However, counties which combined contain no more than 15.5% of the State's Work First cases (as of September 1, 1997) are permitted by State law to design their entire program, including eligibility criteria and benefit levels. The State's and each Electing County's eligibility criteria are described later in this document. See Attachment D for detailed information on Electing Counties. (Throughout this plan, all references to "Electing counties" refer to those counties that have been approved as Electing.)

The legislation also forms a successful partnership between local departments of social services and local Employment Security Commissions by implementing in February 1998 and now with additional funding beginning to enhance the First Stop Employment Assistance Program. Another provision of the legislation requires the State to implement a system of Biometrics (or imaging) to help ensure that individuals do not receive duplicate benefits.

### **PROGRAM ADMINISTRATION**

The N. C. Department of Health and Human Services is responsible for establishing, supervising, and monitoring the Work First Program. At present, all services and benefits are delivered locally by county departments of social services in each of North Carolina's 100 counties, although Electing Counties may choose to designate an alternative service delivery agent.

Work First provides recipients with job preparation and employment and support services. Pathways to Employment is a cooperative initiative with the community college system which provides short-term training and basic skills instruction that is tied to the local labor market. Local agencies have maximum flexibility in designing service delivery systems to assist families in moving from welfare to self-sufficiency.

In addition to the social services structure, connections with other state and local agencies and providers are crucial to our success in ensuring that needed services are available and used. The range of services needed by families will be sought through partnerships with the Department of Commerce, Employment Security Commission, the Division of Child Development, NC Partnership for Children, the Division of Mental Health/Developmental Disabilities/Substance Abuse Services, the Department of Community Colleges, the Department of Transportation, community-based organizations and the faith community.

Each county has developed a local Work First block grant plan, including descriptions of strategies to achieve the measurable outcome goals described in this plan. County plans must involve a broad range of public, private, and nonprofit groups.

As lead agencies, county departments of social services coordinate community resources to help meet their plan goals, including resources to meet the child care and transportation needs of families. Because broad-based community involvement is essential to help families become self-sufficient, the local block grant plan must describe how businesses, community groups, non-profits, and religious groups will be involved in their Work First program.

### WORK FIRST ELIGIBILITY CRITERIA (STANDARD COUNTIES)

Work First cash assistance is provided primarily to children. Biological or adoptive parents and step-parents may apply for assistance for a child and must be included in the payment for the family, unless they are disqualified from the program. Other relatives and individuals, regardless of their relationship, who have legal custody or guardianship of children may apply for assistance on their behalf, but will not be included in the payment to the family. Work First cash assistance is not provided to pregnant women without other dependent children.

County staff will assess the living arrangements of children who do not live with a parent and may discontinue assistance if a suitable living arrangement with a parent or other caretaker is established or available.

Children are eligible for benefits through age 17. Parents under age 18 must live at home or in an approved adult-supervised arrangement (subject to certain exceptions) and remain in school. Legal immigrants who were living in the United States on or before August 22, 1996, and who otherwise are eligible for benefits, shall continue to be eligible for Temporary Assistance for Needy Families and for Medicaid.

Receipt of Work First cash assistance is based on both non-financial and financial criteria, which are described in Appendix C. Electing Counties' criteria are described in Appendix D.

### TEMPORARY ASSISTANCE (STANDARD COUNTIES UNLESS OTHERWISE NOTED)

Work, child support, and, when necessary, federal disability – not welfare – should be the primary sources of family income. In North Carolina, within 12 weeks of being found eligible for temporary assistance, adults in the Work First employment program should be working or engaged in work activities, or both for at least 35 hours per week.

According to Federal law, within 24 months of receiving assistance, all adults should be participating in a work activity. A single parent of a child less than one year old shall not be required to comply with work requirements until the child turns one (this exemption cannot exceed 12 months per lifetime for each single parent). The responsibilities of the recipient and the county are spelled out in a Mutual Responsibility Agreement that describes steps the family will take to become self-sufficient and support services the county will provide. (See Appendix B.)

In both Standard and Electing Counties, individuals convicted of Class H or I controlled substance felony offenses in North Carolina may receive Work First cash assistance beginning six months after release from custody if there is no additional controlled substance felony offense during that time and the individual completes or continues appropriate treatment as determined by the local mental health authority. If the individual was not confined after conviction, he/she may qualify six months after the date of conviction under the same conditions outlined above. Individuals receiving Work First or Food Stamps under these conditions are required to undergo substance abuse treatment as a condition of eligibility. (S.L. 1997-443).

North Carolina does not <u>require</u> community service employment within two months of receiving assistance. Families must legally reside in the state to receive assistance, and families that have moved to North Carolina after receiving welfare in another state will not be treated differently from current residents.

Families are limited to a cumulative total of 24 months of cash assistance once they enter the Work First employment program. After 24 cumulative months of receiving cash assistance, families must wait 36 months before they may reapply.

At the end of 24 months in the Work First employment program, families who have complied with the terms of their Mutual Responsibility Agreement and, through no fault of their own, are unable to find a job, may request an extension. County boards of social services, or their designees, shall review each request to determine whether an extension should be granted. Families must continue to comply with their Mutual Responsibility Agreement during any extension.

As required under federal law, child support must be assigned to the State while the family remains on Work First Family Assistance. Child support payments will be distributed in accordance with federal regulations.

The changes to Title IV-A financial eligibility made by this plan are not more restrictive than those in effect in July 1996, and thus may be extended to Medicaid. A single application may be used to determine eligibility for Work First, Medicaid, and Food Stamps. Medicaid income and resource standards may be adjusted annually by the Consumer Price Index.

Any overpayment of cash assistance will be recovered from the family, as allowed under State law or rule. This includes fraud, intentional program violations, and inadvertent errors by the family

### **DIVERSION ASSISTANCE (STANDARD COUNTIES)**

Work First Diversion Assistance is available to families in lieu of traditional cash assistance when they need short-term help to remain self-sufficient. While families must meet the same income and asset limits as families that qualify for family assistance, the payment is not based on the family's income, but rather on the family's need. Benefits may include a cash payment of up to three months of cash assistance, in addition to employment services, Medicaid, child care, and Food Stamps. The family does not have to repay the assistance received through Diversion Assistance. The family makes the final decision about whether to accept Diversion Assistance in lieu of ongoing Work First cash assistance.

Diversion Assistance is a one-time payment. Therefore, it does not trigger the two-year Work First time limit or the five-year federal lifetime limit on benefits. Recipients of Diversion Assistance are not required to participate in the Work First employment program. These families are not considered Work First participants, and are not considered in calculating the State's participation rate.

### FIRST STOP EMPLOYMENT ASSISTANCE PROGRAM (ALL COUNTIES)

As a requirement of the State's welfare reform law, Work First applicants who are not exempt, are required to register for the First Stop Employment Assistance Program with the Employment Security Commission (ESC). Failure to register results in the family's ineligibility for Work First Family Assistance.

As part of First Stop, county departments may contract with ESC to further assist registrants through job search, job placement, ore referral to a community service. As a part of First Stop, county departments may enter into an agreement with the community college system or any other entity to operate the Job Preparedness component. ESC has provided an automated solution to tracking First Stop registrants' progress toward employment. The automated tool that is

available allows ESC and county departments to communicate about families' progress, status, and support services.

This is a valuable partnership that has proven effective and powerful in helping families leave welfare for work and even getting a job and avoiding welfare altogether. See Appendix B for additional information.

### FINGERPRINT BIOMETRICS

The legislation requires that all adult applicants and recipients of Work First Family Assistance (including Diversion Assistance and payees in child only cases) will be imaged as a condition of eligibility. The requirement also applies to minor parents who are applying for or receiving assistance. If an adult or minor parent refuses or fails to comply with the imaging requirement, without good cause, the entire assistance unit is ineligible for Work First.

Good cause for failing to be imaged and/or fingerprinted is defined as:

- The individual is missing the finger(s) to be imaged; or
- Any other reason deemed sufficient by the county director or his designee.

Fingerprint biometrics phase-in implementation is to begin no later than October 1, 1999 and implementation is to be completed by October 1, 2000.

### **EMERGENCY ASSISTANCE**

As was permitted under previous federal law, counties may use their Work First block grant funds to offer emergency assistance to families in accordance with their local plan. Counties must indicate whether they will provide cash emergency assistance and if so, define the eligibility criteria, who is eligible and the types of emergencies that will be covered.

If provided by a county, the emergency assistance may be paid only once a year during one 30 day period. Therefore, it meets the federal definition of one-time, short-term assistance. Further, counties providing emergency assistance will comply with federal requirements. Emergency assistance does not trigger the 24 or 60-month time limit, nor will families receiving emergency assistance be required to participate in the work program. These families are not included in calculating the state's participation rates.

Families that meet the following criteria may be eligible for Emergency Assistance if counties have chosen to provide this assistance. Counties that choose to provide Emergency Assistance are allowed to define and describe in their plans local eligibility criteria that fit into these overall State guidelines:

- The family must have a child under age 21 who lives with a relative as defined for Work First Cash Assistance.
- Total income must be at or below 135% of poverty with assets at or below \$3,000.
- Family members must meet the same citizenship requirements as for Work First Cash Assistance.

### APPLICATION PROCESS (STANDARD COUNTIES)

County departments of social services are responsible for developing a benefit package as quickly as possible to help families move toward self-sufficiency. Applications must be completed by the 45th calendar day following the date of application. As appropriate, counties should offer families other services to enable them to remain off cash assistance. Such services include Diversion Assistance, child support services, child care, and job placement services.

### **APPEALS PROCESS**

For Standard Counties, the Department of Health and Human Services has set uniform standards for determining eligibility, providing benefits, and ensuring fair and equitable treatment. Applicants or recipients who wish to contest a decision adversely affecting their receipt of public assistance, or workers contending a breach of the non-displacement in work activity provision of federal law, may appeal in accordance with N.C.G.S. 108A-79. Families must be informed of their right to appeal and be provided with copies of Work First policy upon request. Electing Counties are required by the State legislation to establish a local appeals process that substantially complies to the appeals process outlined in N.C.G.S. 108A-79. This means that for Electing Counties, all appeals for Work First will be heard locally, not by the State Division of Social Services.

### **SUPPORT SERVICES**

It is important that families receive the support services needed to assist them in moving toward self-sufficiency. All counties have maximum flexibility in deciding how they provide the support services to enable families to become and remain self-sufficient. To the extent non-cash resources are available, they may be provided at any time to support all of the activities in the Mutual Responsibility Agreement, including before and after a family receives cash assistance. A variety of support services are available and each county's local plan describes how support services will be provided.

### Child Care

Child care is critical for ensuring that families are successful at moving to work and then after a family leaves Work First because of a job, it is critical to ensure that the family remains employed and off Work First. While there is no longer a transitional child care program, families that leave Work First because of a job can receive child care dependent on their income and resource availability. There is no limit on the length of time a family can receive child care.

All parents receiving child care subsidies should have a choice of legally operating providers and information to help them evaluate their child care arrangement. To receive public funding, child care providers must abide by the subsidized child care policies administered by the Division of Child Development.

Payment rates should support the development and maintenance of effective child care options for children and families and help parents move toward full financial responsibility as their resources permit. All parents who have income are required to help pay for the cost of child care in accordance with the fee schedules administered by the N.C. Division of Child Development.

The state will collect data profiling the children and families receiving services, cost patterns, and trends affecting the availability of and need for child care.

Child Support

Child support is an important source of income for many families. The percentage of Work First case under order has increased from 28% in 1996 to 43% as of December 1997. For Work First cases under order, child support is being collected for 40%. There is much more that needs to be accomplished, but we are making positive strides in our efforts to assure that all children receive support to which they are entitled.

### Housing

Counties may establish a "shelter assistance fund" to provide short-term rental or utility assistance to help families get or keep affordable housing. Housing needs will also be assessed during development of the Mutual Responsibility Agreement where the family can self-declare its housing needs. Individual Development Accounts, as defined in Sec. 404 (h)(2)(B) of the federal block grant legislation, may be used to promote home ownership and other qualified purposes.

The Department will promote an information exchange and referral network collaboration between county departments and housing providers such as public housing authorities, the N.C. Housing Trust Fund, and others.

### **Transportation**

Counties may provide transportation services, including child care transportation, to Work First participants for whom transportation is not otherwise available, to enable them to participate in Work First activities and to work.

Transitional transportation assistance may be provided after a Work First participant becomes ineligible for cash assistance as outlined in counties' local plans. This is a retention strategy to help families remain employed.

In 1997, the North Carolina General Assembly appropriated \$1.75 million to support the employment transportation needs of Work First participants that are working and no longer eligible to receive Work First Family Assistance. To meet these needs, the apportionment was divided into two components: a \$1 million formula-based allocation made available to each county and a separate \$750,000 fund for local, regional, and statewide demonstration projects to expand Work First and general public employment transportation services.

Both of these grants are administered through the NC Department of Transportation in collaboration with the NC Department of Health and Human Services. Counties have broad flexibility in spending their formula-based allocations. Funds may be used for car repairs, vehicle licenses, car down payments, bus tokens, coordinated transportation services, client and volunteer reimbursements, taxis, etc.

North Carolina is also developing a statewide car ownership program whereby individuals, businesses, non-profit organizations, and local and state governments will donate used cars to sell to Work First participants at a nominal cost. Approximately one-third of all counties referenced a car ownership program in their local Work First Plans for SFYs 1998-2000.

In addition to these initiatives, counties should encourage employers to help meet the transportation needs of Work First participants by purchasing company vans or monthly bus passes and providing transit commuter benefits.

Counties are also encouraged to use Geographic Information Systems technology to identify major employers, training centers, child care facilities, and family residences in planning to meet the needs of Work First families. County staff and transportation coordinators should participate in developing local Transportation Development Plans and making employers aware of transportation services in their community.

### SUBSTANCE ABUSE AND EMPLOYEE ASSISTANCE SERVICES

Substance abuse and other mental health problems create a challenge to the ability of many families getting and keeping a job. Recognizing this as a potential barrier North Carolina has stepped up its efforts in this area by providing TANF funding for at least one Qualified Substance Abuse Professional (QSAP) for each of the 40 area mental health authorities. QSAPs are the be co-located in local county departments of social services for ready access to families and to social services staff. In a concerted effort to identify adults for whom substance abuse is a challenge to successful employment, all Work First adults are screened using a standardized screening tool for risk of substance abuse. If the adult screens "positive" or if there is evidence of substance abuse, a referral is made to the QSAP. The QSAP completes a thorough assessment of the individual's situation. If appropriate, the QSAP develops a treatment plan and serves as the care coordinator to track the adult's progress through treatment. The QSAP and the Work First case manager jointly develop a plan for the family to ensure success. If an adult refuses to be screened initially, the entire family is ineligible for Work First but is evaluated for Medicaid.

If after a QSAP determines treatment is appropriate, the adult fails to comply with the treatment plan, the adult is ineligible for cash assistance but continues to get Medicaid. The children, and if applicable, the second parent remain eligible for Work First. A protective payee is appointed to manage benefits for the family. The time clock continues to run and the individual is still required to participate in the employment program.

The children are referred for substance abuse prevention and other behavioral health services as needed. Treatment programs have increased services and provide self-sufficiency skills training and vocational support for individuals with substance abuse-related impairments.

In order to implement this innovative approach to dealing with substance abuse issues, a comprehensive training program was developed and conducted across the state with QSAPs and county Work First staff as joint participants. The state was assisted in the development of curriculum by the University of North Carolina at Chapel Hill, School of Social Work. The training helped each partner learn a little more about the other's duties, responsibilities, and programs. In addition, a second series of statewide training was held to deal solely with use of the screening tools. Response to the training has been overwhelmingly positive and training combined with onsite technical assistance to programs will continue to be an important element of the North Carolina plan.

North Carolina is in the process of implementing an Enhanced Employee Assistance Program (EEAP) demonstration initiative. It is an innovative model that expands traditional EAP services to provide support to Work First participants. The role of EAPs in the workplace has grown and evolved in recent years. Originally developed as a tool to identify employee alcohol and substance abuse problems, EAPs have grown to encompass a myriad of issues that can impact employee job performance. Other problems frequently seen by the EAP are depression, financial difficulty, marital conflict, family/child concerns, stress and anxiety, emotional difficulty, and work performance problems.

Initial demonstration sites were selected through competing proposals developed as a part of a Planning Grant process. This model is designed to enhance EAP services by providing gender-sensitive substance abuse assessment, two-year aftercare for relapse prevention, and work-site mentoring programs. Through the EEAP initiative, the program seeks to serve as a resource for employers by helping them identify troubled employees and refer them to the EEAP. Additionally, the EEAP will establish an effective information system to ensure program needs and objectives are being met effectively. The EEAP initiative will provide to the demonstration sites the needed data so those communities can self evaluate.

### NON-CUSTODIAL PARENTS

Child support should be a primary income for most Work First families. Unfortunately at this time, that is not the case. North Carolina will allow counties and other service providers to use TANF funds to provide work-related services for non-custodial parents of a minor child whose custodial parent is a TANF recipient if the non-custodial parent's family income is at or below 150% of poverty. No work-related services will be provided to the non-custodial parent if the services would limit or reduce Work First assistance to the custodial parent or caretaker and children. The non-custodial parent will not be considered a member of the custodial parent or caretaker's household. The goal is to provide counties and other service providers a tool to assist Work First families with long-term self-sufficiency. One of the keys must be child support.

### **RETENTION SERVICES**

North Carolina has been very successful in helping families move from welfare to work. However, helping families stay employed is an important issue with which all counties are dealing. All counties are permitted to provide in their local plan for provision of retention services for families who have left Work First because of a job. Counties describe in their local block grant plans whether they will provide retention services and if so, what types of services they will provide. Services may be varied, including but not limited to, transportation, child care, job retention bonuses, case management, follow-up, and mentoring. We recognize that if services that are considered "cash assistance" under the federal law are provided, the federal time clock is in effect, federal reporting applies, and the family is in the State's participation rate.

Providing retention services is one area in which many counties are reaching out successfully for community assistance.

### FRAUD AND ABUSE

The Department of Health and Human Services is strengthening and enforcing standards and procedures to detect and prevent fraud and abuse by recipients and employees of the program. An administrative hearing process is being established to enable county departments of social services to identify cases of intentional program violations. Individuals found to have committed an intentional program violation are disqualified from Work First for 12 months for the first offense, 24 months for the second offense, and permanently for the third. The cash benefit is reduced by the needs of the offender but the family continues to be on the time clock and in the participation rate. The overpayment is also recovered by repayment or payment reduction.

### AUTOMATION

Effective automation tools and access to useful information are essential to achieving the goals of Work First. Five of the six major automated systems supporting welfare-related programs were built in the 1980's to meet business needs of the time. These systems, which primarily focus on

paying benefits, have been heavily modified throughout the years to keep abreast of regulatory and program rules.

Work First has dramatically changed the business operation and the type of services that are to be delivered. Caseworkers now must deliver services that promote family self-sufficiency. To do their job, they must act as counselors, community liaisons, and negotiators of the Mutual Responsibility Agreement. These new responsibilities are not supported by the existing systems.

The Department has developed a plan that will integrate the traditional eligibility determination and benefit delivery components with case management tools required in today's environment. The approach, which is driven by business needs, centers on the phased-in delivery of critical components.

This approach will improve the use of public resources, ensure comparable access to services throughout the state, and allow county staff to focus on helping Work First families become self-sufficient. Investments in automation will improve child support collections, fraud detection and recovery, and performance assessment at the individual, county and state level. Specific components of the plan include:

- Roll-out of a statewide network to support e-mail and exchange of information among agencies
- Interfaces between systems
- Compliance with federal requirements
- A registry of new hires for child support
- Management Information and Tracking
- A data warehouse for statistical analysis, outcome measures and local, state, and federal reporting
- Enhanced fraud and abuse tracking
- Development of new service delivery tools
- User training, office readiness
- Skilled project management

### **PROGRAM EVALUATION**

North Carolina has been involved with an independent contractor to perform a comprehensive evaluation of the Work First Program. Now, under the state legislation, the evaluation will essentially have two parts. The first part will be an evaluation of the Work First Program as changed by the federal waivers approved in February 1996. The second phase will be an evaluation of the program as changed by the new state legislation and this State Plan.

The evaluation design will include, among other things, an assessment of the impact of the Program on the economic security and health of children and families, child abuse and neglect, caseloads for child protective services and foster care, school attendance, and academic and behavioral performance.

The state will monitor the outcome and performance goals described in Appendix A. County plans must target the goals established by the State but they may add county specific goals. Some of the factors the Department will assess are:

Percentage change in the overall caseload size Employment status of Work First participants

Change in family income

Percentage of families involved in work or training activities

Percentage of families diverted from assistance

Number of reapplications (recidivism rate)

School performance and attendance of Work First children

Percentage of Work First children who are appropriately immunized

Number and percentage of out of wedlock births

Amount and percentage of collections on overpayments

Percentage of child support cases with paternity established

Percentage change in child support collections

### **WAIVERS**

The Work Over Welfare waiver in Cabarrus County, North Carolina, will continue to operate as described in the terms and conditions for that waiver and based on amendments contained in State legislation.

### ORGANIZATIONAL DEVELOPMENT

As Work First helps families move from dependency to self-sufficiency and from a welfare check to a paycheck, public agencies that administer Work First must also change. Helping counties make that transition will be a major focus of the Department's technical assistance and training efforts. These efforts may include but are not limited to:

- Training staff and redesigning welfare offices to help Work First families become self-sufficient;
- Developing measures of job performance that target outcome measures for families;
   and
- Assisting county efforts to try new approaches, work regionally, train staff in integrated case management, develop teams, and conduct demonstration projects.

The Department will encourage counties to move to performance contracts to provide services to families and to contract with private providers as specified in their county plan.

One of the first goals of the State's automation initiative is to streamline and simplify processes such as eligibility determination and case management, which will make it easier to contract those services to outside organizations. Non-profits, including religious organizations, will be given the opportunity to compete for contracts to provide services to Work First families.

### COMMUNITY PARTNERSHIPS

Government alone cannot help families become self-sufficient. Real welfare reform must be a community-wide effort that involves a broad range of community resources, including non-profits, religious organizations, and the business sector. Ultimately, work and community support – not government programs – constitute a genuine "safety net" for needy families.

In the past, private and nonprofit groups and organizations have not been given a leading role in helping families leave welfare. Now, to make welfare reform a reality, they must become partners in supporting change. This can be accomplished by involving the entire community in planning, implementing, and evaluating welfare reform. Employers, in particular, can play a critical role in hiring, training, supporting, and retaining Work First participants.

Grassroots efforts to educate the public about Work First and to involve them in helping families

are essential to its success. Effective community partnerships between public and private agencies and organizations are key, and a description of them must be included in county block grant plans.

Counties describe in their local plans how they are using community partners.

### **OUT-OF-WEDLOCK BIRTHS**

Children born out of wedlock are three times more likely to be on welfare than children of married parents are. Because out-of-wedlock births are so closely linked to poverty, reducing them will improve the health of women and children and help reduce welfare dependency.

While the number of out-of-wedlock births has been slowly declining, aggressive action could help reduce them even faster. The state's goal is to reduce the incidence of out-of-wedlock births by 4.0 percent for calendar years 1999 and 2000, as anticipated in federal law.

Because the circumstances contributing to out-of-wedlock births are complex, strategies to reduce them must address a wide range of issues – from access to family planning services to promoting abstinence and responsible behavior.

Local health and social services departments are working together to ensure that all recipients receive needed family planning services. Each county health and social services department will formulate, jointly, a plan that reduces barriers and promotes family planning service utilization. To monitor health departments as they strive to meet this goal, an indicator to determine the percent of out-of-wedlock births will be added to the Maternal and Child Health Accountability System. This indicator is to be tracked on a county-by-county basis and will be used in the evaluation of each health department's effectiveness; resulting in health departments adopting strategies to improve their county standing.

The Department is giving high priority to its Adolescent Parenting Program and to the Adolescent Pregnancy Prevention Program and will continue to monitor prevention efforts, particularly those aimed at reducing teen pregnancy.

### **INDIAN TRIBES**

The Eastern Band of Cherokee Indians, the only Indian tribe in North Carolina recognized by the U.S. Bureau of Indian Affairs, has elected to remain under the state Work First Family Assistance Program. The Eastern Band of Cherokee Indians will continue to operate a separate employment and training program. Therefore, North Carolina opts to exclude these Native Americans from our federal participation rate.

### INDIVIDUAL DEVELOPMENT ACCOUNTS

The North Carolina General Assembly has appropriated \$300,000 for SFYs 1998 and 1999 to fund an Individual Development Account (IDA) demonstration project and named the Department of Labor as lead agency. In this demonstration, state funds will be used as incentives to encourage personal savings for a specific purpose, such as home ownership, post-secondary education and training, and microenterprise/small business. The one-time match will not exceed \$2,000 per individual or family unit. This is a multi-year demonstration, not to exceed five years. Individuals have up to three years to save for their designated use and up to one year after that to draw down the state match.

Participating communities will demonstrate community need, organizational and consortium capacity to implement the IDA Program, potential for replication, and impact. Technical

assistance, ongoing training, peer exchanges, assistance in local fundraising, and public education efforts will be made available through State partners. The IDA demonstration is not restricted to Work First participants.

Counties may establish their own IDA projects locally as described in their local block grant plan.

### CONFIDENTIALITY

North Carolina, in accordance with G.S. 108A-80 and applicable federal law, will restrict the use and disclosure of information about people receiving assistance under Work First to safeguard the confidentiality of all applicants and recipients.

### **DOMESTIC VIOLENCE OPTION**

North Carolina will adopt the Family Violence Option. The state is developing standards and procedures to screen and identify individuals with a history of domestic violence who receive assistance. These individuals will be referred to counseling and supportive services (while maintaining their confidentiality).

Once standards and procedures are in place, the Department may waive, with good cause, Work First requirements such as time limits, child support cooperation, and family cap provisions, in cases where compliance would make it more difficult for the recipient to escape domestic violence, or would unfairly penalize someone who is, or has been, a victim of domestic violence. The length of waivers will be determined on a case-by-case basis. Before statewide implementation, a pilot will be established in a number of counties to carry out and evaluate the screening, assessment, and referral process. The pilot will:

- 1) Allow for more accurate estimates of the number of Work First recipients who would request an assessment and who might be eligible for a waiver;
- 2) Demonstrate the range of capacity among counties for dealing with the intersection between domestic violence and welfare;
- 3) Provide an indication of the number and type of waivers likely to be granted;
- 4) Help determine what cost would be associated with implementing the Family Violence Option.

### TANF ELIGIBLE FAMILIES

In order to achieve the goals of Work First, and consistent with federal distinctions between cash and services, North Carolina defines several categories of eligible families. Eligible families include the following:

- For Work First Cash Assistance, related employment services, and Diversion Assistance: Standard Counties families whose income is at or below the Work First payment standard and countable assets are at or below \$3,000. See Appendix C for the payment standard, the process by which income eligibility is determined, and a description of the resource limit.
  - Electing Counties eligible families are described in each county's local plan. See Appendix D for summaries.
- For supportive, retention, and preventive services:: families who are former Work First (or AFDC) recipients (including Diversion Assistance) and whose net income is at or below

150% of the federal poverty level. There is no asset limit for these services.

- For work-related services: the non-custodial parent of a minor child whose custodial parent is a TANF recipient if the non-custodial parent's family income is at or below 150% of poverty. No work-related services will be provided to the non-custodial parent if the services would limit or reduce Work First assistance to the custodial parent or caretaker and children. The non-custodial parent will not be considered a member of the custodial parent or caretaker's household.
- Families that meet the criteria for services under Parts A and F of the Social Security Act as they were in effect on September 30, 1995. This means that North Carolina will continue, as it has since 1995, to provide services (including child welfare services) to at-risk children as was approved in the Title IV-A State Plan as of September 30, 1995. These services are based on need rather than on means testing.

### **USE OF FUNDS**

Federal funds will be used in accordance with federal law and regulations.

Federal, State and county TANF funds will be invested in activities to support achievement of specified outcome measures. These activities include, but are not limited to: enhanced training to facilitate re-engineering of state and local staff, automation, employer incentives, family planning services, substance abuse treatment, child care, transportation, and other activities promoting self-sufficiency for families.

Federal TANF funds may be spent as follows and in accordance with federal law and regulation:

- Cash assistance.
- Child care.
- Supportive services, including, but not limited to work-related expenses and transportation.
- Educational activities intended to increase self-sufficiency, job training, and work, excluding any expenditure for public education in the State except expenditures which involve the provision of services or assistance to a member of an eligible family which is not generally available to other people.
- Administrative costs (which may not exceed 15% of the total funds spent for purposes under Title I of the federal block grant).
  - [Administration is defined as costs associated with office directors, policy, fiscal, budget, personnel, purchasing, legal, clerical support, and direct, indirect, and allocated costs in support of these positions. The costs of staff who provide case management and eligibility services, program supervisors, program clerical staff, and support costs of program staff are services costs rather than administrative costs.]
- Case management services, including eligibility determination and other case management activities.
- Automating the provisions of the law.
- Other uses that reasonably can be expected to enable families to care for children in their homes; that promote job preparation, work, and marriage; that prevent or reduce the incidence of out of wedlock pregnancies; and that encourage parents to marry and

remain married.

• Any purpose for which the State was authorized to use funds received under Parts A and F of Title IV of the Social Security Act as they were in effect on September 30, 1995. This means that North Carolina will continue, as it has since 1995, to provide services (including child welfare services) to at-risk children as was approved in the Title IV-A State Plan as of September 30, 1995. These services are based on need rather an means testing.

If federal TANF funds are insufficient to cover cash assistance costs in the event of economic downturns, other federal, state, and county funds will be used to meet the costs of assisting needy families.

Counties will be able to partially retain collections made on overpayments to recipients not due to agency error, including child care overpayments.

#### MAINTENANCE OF EFFORT

State funds appropriated for the Work First Program have been maintained in the budget at the SFY 96-97 budgeted level. Under State law, Standard counties must maintain a financial commitment to the Work First Program equal to the proportion of State funds appropriated for the Work First Program in the preceding fiscal year. Electing counties may reduce their financial commitment to 90% for 1998-99, and to 80% for 1999-2000 if the county meets all of its goals in 1998-99.

Federal, State, and county TANF funds are co-mingled into county block grants. Local block grants may be used as necessary to meet the goals in the county plan. and may be spent as described below.

- Cash assistance.
- Child care.
- Supportive services, including, but not limited to work-related expenses and transportation.
- Educational activities intended to increase self-sufficiency, job training, and work, excluding any expenditure for public education in the State except expenditures which involve the provision of services or assistance to a member of an eligible family which is not generally available to other people.
- Administrative costs (which may not exceed 15% of the total funds spent for purposes under Title I of the federal block grant).
  - [Administration is defined as costs associated with office directors, policy, fiscal, budget, personnel, purchasing, legal, clerical support, and direct, indirect, and allocated costs in support of these positions. The costs of staff who provide case management and eligibility services, program supervisors, program clerical staff, and support costs of program staff are services costs rather than administrative costs.]
- Case management services, including eligibility determination and other case management activities.
- Automating the provisions of the law.
- Other uses that reasonably can be expected to enable families to care for children in

their homes; that promote job preparation, work, and marriage; that prevent or reduce the incidence of out of wedlock pregnancies; and that encourage parents to marry and remain married.

• Any purpose for which the State was authorized to use funds received under Parts A and F of Title IV of the Social Security Act as they were in effect on September 30, 1995. This means that North Carolina will continue as it has since 1995 to provide an array of services, including child welfare services, as was approved in our Title IV-A State Plan as of September 30, 1995 as Emergency Assistance Services with the same eligibility criteria described in that approved Title IV-A Plan. Since these families were AFDC-EA eligible at that time, we continue to consider them TANF eligible for these services.

## REINVESTMENT OF TANF FUNDS

North Carolina is taking a "long run" view to welfare reform and TANF implementation. We have developed a Business Plan to manage our capped federal TANF funds and our Maintenance of Effort dollars which includes reinvestment strategies in areas to assist families in achieving self-sufficiency. The recent economy has been very good and a large number of Work First families have found employment with relative ease. We believe that over time we will have to expend significantly more on job search, job preparation, and training activities as we reach the families in our caseload with increased barriers to employment. We also recognize that our needs for child care subsidy will increase dramatically as families go to work. Access to adequate child care is one of the primary obstacles for families going to work and we plan heavy reinvestment of Work First funds no longer needed for cash assistance in this area.

An estimated 35% of our families have substance abuse problems. We are reinvesting Work First funds to provide for at least Qualified Substance Abuse Professionals to be assigned to county departments of social services to assess the treatment needs of clients suspected of substance abuse. We are also providing funding for non-Medicaid reimbursed treatment services for those clients and for the development of Enhanced Employee Assistance Programs in small to medium sized businesses who agree to hire Work First participants.

We have also planned reinvestments in efforts to reduce the incidence of out-of-wedlock birth and to address teen pregnancy prevention. We're ensuring that funding is available for an adequate evaluation of the program and for staff development expenses for State and county staff.

Finally, we recognize that our existing computer applications are outmoded. They do not facilitate service delivery at the local level and are not flexible enough to adapt to changing practices and policies. They also will not permit us to meet federal reporting requirements. Therefore, we have designated improved automation systems as an area, which will require heavy reinvestment of savings in order to achieve all of the goals of Work First in North Carolina.

## **IMPLEMENTATION**

Implementation will be phased in based on resources, training needed, and automation necessary. It is anticipated that the first phase of implementation will be February 1, 1999 and include a number of provisions that do not require automation or require minimal automation. However, a number of the changes outlined herein, including but not limited to, restructuring the process for calculating payments (automated budget), new sanctions (sanction tracking), and capturing and tracking retention services mean significant modifications to the existing Eligibility Information System (EIS) that supports the Work First and Medicaid Programs.

North Carolina, like most of the country, is diligently working toward Year 2000 compliance for its automated systems. The consequences of the failure of this initiative would be devastating. As a part of this critical initiative, there will be times during the upcoming year during which changes to existing automated systems can not be implemented. We will work within these challenges to implement changes requiring automation as soon as possible. Existing policies remain in effect until such time as the required automation changes can be made effective or changes not requiring automation can be put into place.

#### APPENDIX A

#### Local Block Grant Plans

Each Standard County must submit biennially to the Department of Health and Human Services for approval of a local block grant plan that describes its proposed Work First Employment Services and Emergency Assistance Programs (if the county chooses to have an Emergency Assistance program). Each Electing County must submit biennially to the Department of Health and Human Services a local block grant plan that describes its proposed Work First Employment Services, Eligibility Criteria and Benefit Levels, Emergency Assistance, and Diversion Assistance Programs. The public must have an opportunity to review and comment upon local block grant plans before they are submitted to the Department. The county board of commissioners must appoint a committee of individuals to identify the needs of the population to be served and to review and assist in developing the county block grant plan in response to the needs. Membership of the committee must include, but is not limited to, representatives of the county board of social services, the board of the area mental health authority, the local public health board, the local school systems, the business community, the board of county commissioners and community-based organizations that are representative of the population to be served. In addition, religious organizations, service recipients, and other non-profits with experience in serving the population should be included.

The Department provided to all counties a model for use in developing their local plan.

The local block grant plan should include public and private resources that will help families move to self-sufficiency and should describe how services such as child care, transportation, housing, and skills training will be used. The plan must include the county's priorities for serving families who need child care, based on the needs of the community and the availability of services and funding.

Following review by the local social services board and other parties, the county commissioners must approve the local block grant plan before it is submitted to the Department.

The Department has the responsibility to ensure that counties' programs comply with federal and State requirements and are consistent with the goals of the Work First Program.

Local plans for SFYs 1998-2000 were due to the Department on January 15 (Standard Counties) and February 1 (Electing Counties). Upon receipt, a large group of agencies and individuals with varied backgrounds and expertise reviewed all 100 county plans. The review team consisted of representatives from the following agencies/organizations/groups:

Work First Program Staff

Child Support Enforcement

Work First Representatives

Local Support Managers

Local Business Liaisons

Hearings and Appeals

Attorney General's Office

Department of Transportation

Division of Mental Health/Developmental Disabilities/Substance Abuse Services

Child Care

Children's Services

Division of Information Resource Management

### **Employment Security Commission**

All plans were reviewed for content, to ensure they complied with State and federal law, and supported the goals of the Work First Program. Responses were sent to all counties pointing out particularly innovative plan ideas, asking for additional information, or alerting counties to problem areas.

After the intensive review, with input from all reviewers, an evaluation team met to assess Electing Counties' responses to the State's requests for information. After careful consideration and review of all information available, the evaluation team made recommendations as to which counties the Department would recommend as Electing Counties. See Appendix D for additional information on the recommendation process.

#### **Statewide Work First Goals**

The Department, in consultation with the county departments of social services and county boards of commissioners, has established acceptable levels of performance by counties in meeting Work First expectations. The local block grant plan will describe the goals and outline the county's plan for meeting the goals.

Measurement of county outcome and performance goals will take into account economic factors and conditions such as percent of children in poverty, unemployment rate, and transportation barriers.

Statewide Work First Goals include the following:

- 1. <u>Caseload Reduction</u>. The North Carolina business plan reflects a steady decline in the overall Work First caseload. This indicator of success is one of the primary objectives for the local administration of the program. Each county is expected to reduce its Work First caseload by 15%.
- 2. <u>Employment</u>. Self-sufficiency and caseload reductions will be realized primarily through the employment of Work First clients. The local block grant plan will reflect the number of Work First recipients who should be employed based on the information provided to counties by the Department.
- 3. Meeting Federal Participation Rates. Active participation in employment services and activities will lead to full time employment. The participation must average at least 35 hours per week. Two-parent families must participate an average of at least 35 hours per week or 55 hours per week if federally funded child care is provided.
- 4. <u>Diversion Assistance</u>. The most successful outcome possible for an applicant for public assistance is to avoid the need to become a recipient. This is also recognized in the federal law, which specifies diversion from public assistance as a desired outcome. Use of Work First Diversion Assistance for a specified percentage or number of Work First applications (for families who have not received assistance for the previous 12 months) will be included in each county's local block grant plan.
- 5. Staying Off Welfare. Efforts to reduce welfare rolls, help adults find jobs, and increase self-sufficiency are undermined when families return to welfare. Families leaving Work First will be tracked to determine if they return to cash assistance. The county block grant plan will reflect the percentage of all closed cases that should remain off of assistance for 12 months.

- 6. <u>Child Support.</u> An effective child support effort will help prevent families from returning to welfare. New federal changes enhance the ability to pursue support. The key components of this measure are (1) the number of child support orders established, and (2) the dollar amount of each child support collection among Work First families.
- 7. Child Well-Being. A critical function of every local department of social services is to ensure that children are safe from abuse, neglect and dependency. This goal will measure the percentage of Work First children receiving intensive CPS services that have a safety plan in place. 100% is the expectation for all counties. This requirement already exists and will be monitored to ensure compliance.

APPENDIX B

#### Personal Responsibilities and Work Requirements

Work First is based on the premise that all parents have a responsibility to support themselves and their children. Under Work First, the Mutual Responsibility Agreement spells out in detail the obligations of parents or legal guardians in return for family assistance. All counties are requiring families to enter into agreements. Electing Counties have the opportunity to develop their own agreements to meet local needs (See Appendix D). Standard Counties will use the same Mutual Responsibility Agreement; however, it will be flexible enough for counties to tailor the agreement to meet local needs and specific needs of families.

# Mutual Responsibility Agreements (Standard Counties)

The first part of the Mutual Responsibility Agreement applies to all families and describes the parent(s) or caretaker(s) responsibilities. All agreements must include the first four items and other items, as appropriate, to ensure that parents or caretakers:

- look for work/register for First Stop, unless exempt
- make sure that their children attend school
- get their children immunized appropriately and attend regular check-ups
- cooperate with child support enforcement
- participate in financial management and life skills classes
- participate in substance abuse treatment
- participate in mental health treatment
- attend family planning counseling
- attend domestic violence counseling
- participate in work activities
- participate in rehabilitation services
- live with a parent or other approved adult (required for parents under age 18).

A family is not eligible for Family Assistance unless the parent(s) or caretaker(s) signs the Mutual Responsibility Agreement.

The second part of the Mutual Responsibility Agreement is the parent's or caretaker's plan to meet the work requirements. This part:

- 1. Establishes an employment goal for the parent(s); and,
- 2. Describes a plan for participating in work or work activities for an average of at least 35 hours per week; and,
- 3. Describes the case management and support services that will be provided to help the family become self-sufficient within two years.

A family whose parent refuses to sign this second part of the Agreement loses its benefits for at least one month. Benefits may not be restored until the parent signs this part.

## First Stop Employment Assistance Program

The First Stop Employment Assistance Program, implemented February 1, 1998, represents a true and successful partnership between the Employment Security Commission and the Department of Health and Human Services. The Employment Security Commission is the presumptive primary deliver of job placement services for the Work First Program.

All Work First adult applicants and recipients, unless exempt, are required to register for the First Stop Employment Assistance Program with the Employment Security Commission in the county in which they live. Unless the adult registers for First Stop, the family is not eligible for Work First. Exemptions from First Stop registration include:

- Adults receiving cash assistance for a child only,
- Adults who are disabled and receiving Social Security, SSI or 100% VA disability, and
- Single custodial parents with a child under 12 months (lifetime 12 months of exemption).

Counties may use one of two options for the registration process. 1) Counties may accept the Work First application and explain to the adult that he must register with First Stop within 10 days or his application will be denied; or, 2) counties may require the adult to register with First Stop before taking the Work First application (Medicaid application will still be taken in this situation).

Counties also may contract with the Employment Security Commission for services such as job search, job placement, and referrals to community service.

## Work Responsibilities

Within three months of receiving assistance, a family will be assessed for employability. For Standard Counties, a single parent with a child under 12 months of age is exempt from active participation in Work First employment services (limited to a lifetime total of 12 months exemption for each single parent). In all counties, individuals with children under age six who demonstrate that adequate child care is not available are also exempt from participation.

Lack of adequate child care is defined as the unavailability of appropriate child care within a reasonable distance from the parent's home or work; the unavailability or unsuitability of informal child care by a relative or other arrangements; and the unavailability of appropriate and affordable formal child care arrangements. When a child care subsidy is available to the family, the child care is deemed affordable.

Single parents must participate an average of 35 hours per week in approved work activities. At least 25 hours per week must be in activities allowed in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The following list is an overview of federally-countable work activities. Some restrictions apply regarding the length of time allowed in certain activities, and who may participate in them. Detailed information can be found in the Work First manual.

- Unsubsidized employment an unlimited, paid work activity. Employment may occur in any for-profit, non-profit, public, or private setting. Wages earned in this activity are not subsidized.
- Work experience an unpaid work activity (subject to the Fair Labor Standards Act).
   Work Experience may occur at any non-profit, public, or for-profit, and private organization. Participation in this activity may provide an intensive training

experience, enhance participants' employability, offer exploration in a new career, or strengthen their existing work history. The State will be submitting to the U. S. Department of Agriculture (USDA) a Simplified Food Stamp Plan to seek permission to count the value of a family's food stamps in calculating the number of hours of work experience participation. Once that Plan is approved by USDA, work experience may become a more viable alternative.

- On-the-job training a subsidized work activity. Each individual county based on the circumstances locally will determine the amount of subsidy. On-the-job training may occur in any non-profit, for profit, public or private setting. Participation in this activity offers the opportunity to learn a new trade, in a supportive environment, while transitioning into a regular, unsubsidized employee status.
- Job search and job readiness provides skills to enhance overall employability. Participation in this activity includes, but is not limited to, exposure to job-seeking skills, improved job retention, conflict management, substance abuse counseling/treatment, goal-setting, and household budgeting.
- Community service an unpaid work activity (subject to the Fair Labor Standards Act). Community service is generally performed in a government or non-profit agency. The length and type of community service is determined locally.
- Vocational educational training a short-term educational activity that leads to
  preparation for a specific vocation. Likely providers of vocational educational training
  include, but are not limited to: community colleges, post secondary institutions, and
  non-profit organizations. Participation and support in graduate and post-graduate
  programs is prohibited.
- Providing child care for Work First participants in community service an unpaid work activity. Providing child care to individuals in Community Service must adhere to established rules and statutes. Participation in this activity provides an excellent venue for individuals desiring to open their own, for-profit, child care operation.
- Completing high school or a GED a traditional educational activity that leads to a high school diploma or its equivalent.
- Subsidized employment an employment opportunity in public, private, for-profit, or not-for-profit situations. Counties may include wage supplementation in their plan.
- Job skills training directly related to employment.
- Education directly related to employment.

North Carolina counties may include wage supplementation as a work component in their local plan. With approval from USDA, this may include cashing-out food stamp benefits and the Work First Family Assistance payment. It should be used primarily for families in which the adult may be less job ready and difficult to place without the subsidy.

For Standard Counties who choose to include wage supplementation as an option in their plan:

- The amount of the wage supplement equals the amount of the cash or food stamp benefit received the month prior to the individual becoming employed.
- For new applicants, the wage supplement equals the amount of cash and food stamps the family would have been eligible to receive without consideration of the income to be received

through the supplemented job.

• The amount of subsidy will be frozen for the length of the subsidy. Employers will enter into a contract with the local department of social services specifying the conditions of the wage supplementation. Contracts may not exceed 12 months.

Additional work activities that do not meet the federal definition are also allowed. A worker and the family will use the results of the employability assessment to create the most likely and timely path to self-sufficiency.

The Standard Work First Program requires parents to work, or work and participate in work activities for 35 hours per week on average. Parents must spend the minimum federally required hours in allowable *federal* work activities.

Single parents under age 20 are considered meeting the participation rate if they maintain satisfactory attendance at secondary school or participate in education related to employment.

Funds may be used to contract with, or provide job placement vouchers to, public and private employment agencies. Funds may not be used to subsidize a job when a person has been laid off from the same (or substantially equivalent) job, or if an employer fired or laid off a regular employee to fill the job with a subsidized Work First participant.

Individuals will not be referred for, or placed on, a job where any regular employee has been laid off from the same job or an equivalent job; or an employer has terminated or otherwise displaced and employee or employees in order to hire a Work First participant. Employees who believe that they have been displaced solely so the employer may hire a Work First participant may file a grievance as described in the Work First Manual.

Work First participants have the same rights under federal, State, or local laws that are applicable to non-Work First employees in the same or similar situations.

- 9. There is a five-year lifetime limit on receipt of federal TANF funds. This means that a family is not eligible for Work First Family Assistance if it contains an adult who has received Work First Family Assistance for 60 cumulative months. The count for the five-year lifetime time limit began January 1, 1997. The Department will establish guidelines to grant hardship exemptions to this time limit for no more than 20% of the caseload.
- 10. In addition to the five-year federal lifetime limit, families who are active in North Carolina's Work First Employment Services are limited to 24 cumulative months of cash assistance unless an extension as described below is granted. Families may re-apply for Work First cash assistance after being off assistance for 36 months.

Families may request an extension of the 24 month time limit at the end of the 24 month period or anytime following termination, including any time within the 36 month period of ineligibility. An extension may be requested verbally or in writing.

The County Board of Social Services, or their designee, will consider and decide on whether an extension will be granted. The Boards or designees must determine:

- That the Work First participant substantially complied with the Mutual Responsibility Agreement, including consideration of any good cause exceptions;
- That the Work First participant, through no fault of his own, is unable to obtain or maintain employment that provides a basic level of subsistence. To determine this, the Board or designee will compare the family's net monthly income to the maximum Work First payment for the family size. If net monthly income is equal to the maximum Work First payment or greater, the family may not receive an extension.
- Whether the participant is experiencing extenuating circumstances.

If an extension is granted, the Board or designee must determine the length of the extension. Each extension must be a minimum of 1 month to a maximum of 6 months with no limit on the number of extensions (within the 60 month lifetime limit).

Good cause considerations are:

- Disability of the caretaker
- Disability of a child or other family member requiring the caretaker to remain at home and provide care
- Family crisis or change including, but not limited to, death of a spouse, parent, or child.
- Lack of necessary child care,
- Other unique circumstances determined by the Board or its designee that prevented the participant from getting or keeping a job.
- 11. All Work First applicants (i.e. every member of a case) must provide a social security number, or apply for a social security number if they do not have one. Unless an individual has a social security number or applies for one, that individual is not eligible for Work First.

- 12. Individuals who are temporarily absent from the home may continue to be eligible for Work First as described here. An adult must report to the case manager when a child is expected to be absent from the home for 90 consecutive days or longer. A child who is expected to be absent from the home for longer than 90 days is not eligible for Work First Family Assistance unless the child is absent with good cause. *Good cause* includes absences for medical treatment, substance abuse treatment, health care, and educational requirements.
- 13. The adult must report the child's absence within five days of knowing the absence would exceed 90 consecutive days. Failure to report the absence within five days makes the adult ineligible for three months beginning the month after failing to make the report.
- 14. An adult who is temporarily absent from the home for longer than 90 consecutive days is not eligible for Work First Family Assistance without good cause. Good cause includes absences from medical treatment, substance abuse treatment, and health care.
- 15. An individual who is convicted of misrepresenting his residence in order to receive Work First (TANF in other states), Medicaid, SSI, or Food Stamps in more than one state, or more than one location in North Carolina, is ineligible for Work First Family Assistance for ten years beginning on the date of conviction.
- 16. Incarcerated or institutionalized individuals are not eligible for Work First Family Assistance.
- 17. A family must apply for Work First Family Assistance in the county of their residence. Work First cases will not be transferred from county to county (although the Medicaid portion of the case will be transferred). The family must reapply for Work First cash assistance in the new county.
- 18. Cash assistance received solely because the timely notice (10 work day notice) prevents appropriate action to reduce or stop benefits, is not considered an overpayment and does not have to be repaid.

# Financial Rules

- 1. Assets that can be readily converted to cash will be counted toward a \$3,000 asset limit. "Readily converted" means the asset can be converted to cash in 5 working days.
- 2. One vehicle per adult is excluded. The equity value in other vehicles is counted.
- 3. To calculate the payment, all income of Work First recipients is counted, except the earnings of children, income of SSI recipients, Foster Care Assistance, Adoption Assistance, and the Earned Income Tax Credit, unless an income type is excluded by other law;
- 4. Countable income of all family members included in the case is counted. Income of parents who are excluded from the case is counted as if they are included. The exception is that no income of SSI individuals is counted as income.
- 5. For unearned income, the actual amount received is the amount counted in calculation of the payment;
- 6. For earned income, percentages are subtracted from the total monthly gross income as follows:
  - For the first three months each individual has earnings (as described in the Work First Policy Manual), the income is disregarded in full as a job bonus. The 100% job bonus applies only the first time that a Work First recipient becomes employed. If an applicant

has earnings at the time of application only 55% of his gross monthly earnings is excluded. The 100% job bonus is applied for employment that is expected to be at least 20 hours per week and expected to be permanent; 55% of gross earnings from other employment is excluded.

- After three months of the 100% job bonus (as described in the Work First Policy Manual), 55% of gross monthly earnings is excluded from consideration, for as long as the individual is a Work First participant.
- 7. The Family Assistance monthly payment is the difference between the total countable income and the payment standard;

8. The payment standard is based on the number of eligible family members:

Number on Work First	1	2	3	4	5	6	7	8	
Payment standard	\$181	\$236	\$272	\$297	\$324	\$349	\$373	\$386	
Number on Work First	9	10	11	12	13	14	Each additional		
Payment standard	\$406	\$430	\$448	\$473	\$496	\$521	Add \$25		

- A family remains eligible as long as the result of the payment calculation is twenty-five dollars (\$25.00) or more (payments will not be made for less than twenty-five dollars).
- For adults who would otherwise be required to be included in the payment but who are ineligible, income is counted as if they were included in the payment (except SSI).

For the month of application, Work First Family Assistance payments are prorated from the date of application with the date of application being day one. Otherwise, payments are made for the full month.

- 9. Proceeds from non-recurring lump sum payments are counted as an asset beginning the month after the month of receipt for ongoing cases. For pending applications, the non-recurring lump sum payment is counted as income in the month of receipt and as an asset beginning the month after the month or receipt.
- 10. When an adult Work First recipient or applicant is monetarily eligible for Unemployment Insurance Benefits (UIB) as determined by an inquiry into the Employment Security Commission automated system, that adult is required to apply for UIB. If the adult fails to apply by the deadline established by the county or the adult refuses to apply, the family is not eligible for Work First.
- 11. Families with income will receive quarterly reports enabling them to report income and other information. Failure to submit a timely quarterly report results in termination of Work First. The quarterly report process will be defined in the Work First Manual.
- 12. All changes, including changes in income, must be reported within 10 calendar days of the date the change occurs. All changes must be processed by the county within 30 calendar days.

## Eligibility Reviews

Frequent contact with Work First families is critical in ensuring their success at moving to employment. Counties will be strongly encouraged to review a family's eligibility for Work First and review the progress being made on the terms of the Mutual Responsibility Agreement at least every three months. Families that do not participate in or allow the county to complete the periodic review will lose their Work First cash assistance for at least one month. The family may reapply after one month's ineligibility as long as eligibility is re-established after the month of ineligibility. Eligibility must be reviewed at a minimum every 12 months.

Child-only cases will be reviewed initially within six months of the date of application. This review will be done to evaluate the child's living arrangement and whether a more permanent or suitable placement is available, whether placement with the child's parent is possible or appropriate, and to gather detailed information about the child's parents to facilitate location. The county department of social services determines what staff in the agency conducts this review. If the local department of social services determines and documents that a more suitable living arrangement is needed, the family will not receive Work First Family Assistance and the county department will help find a more suitable placement for the child. After this initial six month review, eligibility for child-only cases will be reviewed at a minimum every 12 months. Cases with unearned income will be subject to reporting requirements as described in the Work First Manual.

#### Diversion Assistance

Under certain circumstances, a one-time, short-term benefit package is more appropriate in meeting the needs of Work First applicants than becoming a Work First recipient. Diversion Assistance may be provided when families are in need of short term assistance to enable them to get or keep a job or access other financial assistance that will help meet their needs. In these circumstances, Work First Diversion may provide:

- 1. A one-time, lump sum payment not to exceed three months of Family Assistance benefits (the payment is not income-based, but is need-based up to a maximum of three months of Family Assistance for the family size);
- 2. Medicaid and Food Stamps for the months in the Diversion period;
- 3. Employment services;
- 4. Eligibility for child care; and
- 5. Referrals to child support and other potential resources.

In order to be eligible for Diversion Assistance, families must meet the same eligibility requirements that they must meet for Family Assistance, including the income and asset limits. Families that receive Diversion Assistance do not have to repay the assistance received.

# <u>Medicaid</u>

Work First eligibility criteria impact eligibility for Medicaid. Therefore, if any of the eligibility criteria described in this plan result in a practical de-link from Medicaid, the Department reserves the right to revisit the criteria and adjust if needed. If the eligibility criteria must be revised to continue the automatic link with Medicaid, the Department will develop these criteria, define them in an amendment to the State Plan, and submit the amendment to the federal Department of Health and Human Services with a concurrent copy to the Joint Legislative Public Assistance

Commission.

## **Sanctions**

• Parents or caretakers who, without good cause, do not cooperate with child support enforcement, will have their Work First payment reduced by 25% until they cooperate.

• Parents or caretakers who fail, without good cause, to participate in work or work activities, comply with the terms and conditions of their Mutual Responsibility Agreement, quit a job without good cause, are fired from a job with cause, refuse a bona fide offer of employment, fail to follow-up on a job referral, sanctions will result as follows:

First Sanction

25% reduction for three months

Second and Subsequent Sanction

Pay-after-Performance for a minimum of 3 months; If compliance has not been reached at the end of 3 months, the case will be terminated. Families are notified at the time Pay-after-Performance begins that if they do not comply for 3 consecutive months, their Work First case will be terminated.

- Families are subject to being sanctioned for non-cooperation with child support and non-compliance with other program requirements simultaneously.
- At the time of the second sanction, families will be apprised of available community resources, including assistance available through the county department of social services. All agency staff will be trained in indicators of child abuse and neglect and will be expected to make reports as appropriate.
- Good cause is defined as:
  - ♦ A significant family crisis or change;
  - ♦ Illness of the caretaker or child, including participation in substance abuse treatment or medical appointment;
  - ◆ Civil leave, including jury duty, or a required court appearance; and
  - Any other reason deemed sufficient by the county director or designee.

## Pay-After-Performance For Two-Parent Families

As described in federal law, adults in a two-parent family, where both parents are able-bodied, must participate in work or work activities for at least 35 hours per week, or 55 hours per week if federally funded child care is provided. A two-parent family is not eligible for Work First Family Assistance (or benefits defined as assistance under federal regulations) during any month in which the adult does not participate in 35/55 hours per week in approved activities. Two-parent families will receive cash assistance after meeting their work requirement. Families that fail to comply for three consecutive months find their Work First case terminated. Families are notified at the time Pay-after-Performance begins that if they do not comply for 3 consecutive months, their Work First case will be terminated. Electing Counties may choose to continue or end this policy.

APPENDIX D

#### **ELECTING COUNTIES**

As described earlier in this document, the approach of full devolution to the local level is one provision of North Carolina's State Welfare Reform Law. In general terms, Electing Counties and Standard Counties have the same level of flexibility in designing their work programs to meet the federal participation rates and statewide Work First goals while addressing local circumstances. However, Electing Counties also have the opportunity to define their own eligibility criteria and benefit levels.

Twenty-nine (29) counties originally notified the Department of their desire to be designated as Electing Counties. The original 29 counties are:

Alamance, Cabarrus, Caldwell, Caswell, Catawba, Chatham, Cherokee, Craven, Davidson, Davie, Forsyth, Henderson, Iredell, Lincoln, Macon, McDowell, Mitchell, Moore, New Hanover, Polk, Randolph, Richmond, Rutherford, Sampson, Stokes, Surry, Transylvania, Wilkes, Yadkin.

Yadkin and Richmond Counties subsequently opted to submit Standard County Plans, so, the remaining 27 counties submitted Electing County Plans. Cabarrus County has since decided to operate a Standard Work First program.

The Department has the responsibility to ensure that the Work First Program in all counties complies with federal and state law and the Work First goals. Under the current State Law, Electing Counties' caseloads combined cannot exceed 15.5% of the Work First caseload on September 1 of each year.

Each of the 100 county plans was reviewed by representatives from the Department of Health and Human Services (Divisions of Social Services including Child Support Enforcement, Medical Assistance, Child Development, Information Resource Management, and Mental Health/Developmental Disabilities/Substance Abuse Services), Department of Transportation, Department of Commerce (Employment Security Commission), and the Attorney General's Office.

Reviewers met to discuss the plans; Standard and Electing counties were reviewed and discussed separately. Every county received a letter detailing reviewers' responses, including any questions or concerns. Counties were asked to provide revisions to their plans based on these responses. All revisions were reviewed, and counties were notified of outstanding issues.

For Electing counties, in addition to the process described above, reviewers met to determine the Department of Health and Human Services' preliminary recommendation of counties to be Electing. The recommendation was determined by scoring each of the 26 counties on 15 items. Items were scored on a scale of 0 to 3. The items scored were:

- Description of county conditions
- Planning process
- Statewide Work First goals
- County-specific Work First goals
- Activities/support services to meet goals
- Agency organization for service delivery
- Plans to implement First Stop

- Community service program
- Prioritization of child care funds
- Coordination with area authority for MH/DD/SAS
- Public and private resources to assist with Work First plan
- Appeals process
- Emergency assistance plans
- Budget
- Transportation plans

Scores were based on whether the item was included in the plan and on the thoroughness of the explanation. In addition, plans were eligible for up to 3 bonus points if they demonstrated particularly strong strategies for child well-being and addressed their plans' potential impacts on children. The greatest number of bonus points given was 2.

Electing County plans were reviewed, scored, and ranked prior to the draft State Plan being made available for public comment. All counties were offered the opportunity to submit modifications to their plans during the 45 day public comment period.

At the end of the public comment period, plans for which modifications were submitted were reevaluated and re-scored as reviewers found appropriate. Based on total scores, the county ranking from highest to lowest score is:

Catawba, Craven, Alamance, Macon, Rutherford, Moore, Caswell, Chatham, Wilkes, Transylvania, Polk, Davie, Surry, Henderson, Davidson, McDowell, Randolph, Sampson, Forsyth, Caldwell, Cherokee, Iredell, Stokes, New Hanover, Lincoln, Mitchell.

Because Iredell and New Hanover counties plans contained provisions that would require drug testing without suspicion, those counties' plans were not acceptable.

Based on our ranking the following counties fell within the 15.5% limit which in May 1997 when the State Plan was originally submitted to the General Assembly for review was based on October 1 caseloads.

Catawba, Craven, Alamance, Macon, Rutherford, Moore, Caswell, Chatham, Wilkes, Transylvania, Polk, Davie, Surry, Henderson, Davidson, McDowell, Randolph, Sampson, Forsyth.

The following counties ultimately had acceptable plans because Iredell and New Hanover counties removed their drug testing requirements.

Catawba, Craven, Alamance, Macon, Rutherford, Moore, Caswell, Chatham, Wilkes, Transylvania, Polk, Davie, Surry, Henderson, Davidson, McDowell, Randolph, Sampson, Forsyth, Caldwell, Cherokee, Stokes, Lincoln, Iredell, and New Hanover.

Mitchell County did not have an acceptable plan. Overall, reviewers found that Mitchell County's plan did not reflect the careful planning and community support necessary to meet the goals that have been established. The plans described for meeting the goals were not fully developed. It is important to note that Mitchell County underwent significant destruction due to flooding in the midst of their planning process.

During its most recent Session, the General Assembly chose electing counties in a random drawing. Therefore, based on the current legislation, the following counties are electing:

Alamance, Macon, Rutherford, Caswell, Chatham, Wilkes, Transylvania, Polk, Davie, Surry, Henderson, McDowell, Randolph, Sampson, Forsyth, Caldwell, Cherokee, Stokes, Lincoln, Iredell, and New Hanover.

Funding for all counties is specified in the State law. For Electing Counties, block grants are based on the percentage of each county's total AFDC and JOBS expenditures to statewide actual expenditures in 1995-96. For cash assistance, the resulting percentage is applied to the total budgeted funds for cash assistance for each year. One quarter of the State funds contained in county block grants to Electing Counties will be transmitted to them at the beginning of each quarter and these funds will not revert.

Electing Counties' eligibility criteria and processes, where available, are described on the following pages. Many electing counties chose to follow some or all of the Standard County rules. When and if electing county rules change to be the same as those of Standard Counties, no State Plan amendment will be submitted. If changes other than to Standard County rules are made, an amended State Plan will be submitted. Unless outlined on the attachments, the Electing County is following the Standard County rules.

### **ALAMANCE COUNTY**

- 1. Application Process: Applicants must register with First Stop, be assessed for unemployment, and also register with Child Support. After these requirements are met, the Work First application will be taken.
- 2. Alamance County will use the current Personal Responsibility Contract; and add substance abuse treatment as needed, required participation in financial counseling services; recipient will be held accountable through a random audit procedure.
- 3. Family cap; minor parents; enumeration; citizenship/alienage; residence follow Standard Policy.
- 4. Families are on a 24 month lifetime time limit.
- 5. Sanctions: Previous sanctions forgiven. Sanctions for non-compliance with the Mutual Responsibility Agreement are as follows:
  - First 30% payment reduction for 3 months
  - Second 60% payment reduction for 3 months
  - Third Termination of entire case
- 6. Job Quit Penalty: Alamance County will provide a once-in-a-lifetime bonus (retention bonus) for families who leave assistance for full-time employment as described in their plan. If the family returns to Work First after having received a retention bonus, months are added to his time clock based on the amount of the bonus received. Three months for \$450; 2 months for \$300; and, 1 month for \$150.
- 7. Who can apply: mother, father, stepmother, stepfather, grandparents, step-grandparents, aunt, first cousin. Only the parents can be included with the children and the stepparent can be included when the parent is incapacitated.
- 8. Benefit Calculation:

Monthly Gross Earnings

- Child care up to \$200.00 per month per child
- Child support paid
- = Applied Income (used in a chart to determine the Work First payment amount)
- 20% of Actual Gross (earned income deduction)
- \$134.00 Standard Deduction
- + Cash Payment
- = Applied Income (used in a chart to determine Food Stamp Allotment)

The current Need Standard is eliminated and a benefit level chart is used based on the applied incomes derived to determine payment/allotment amounts.

- 7. Assets: follow Standard policy except that the assets of an SSI family member count.
- 8. Reviews: Continue quarterly reporting; review eligibility once per year.

- 9. Diversion Assistance: Following Standard rules; developed checklist for evaluating diversion cases.
- 10. Countable income: All income counted except EITC and children's wages.
- 11. Cash emergency assistance:
  - Related child under age 18 living in home and attending school
  - Income cannot exceed 110% of poverty
  - Assets cannot exceed \$2,200; liquid assets capped at \$300
  - \$300 maximum payment; one-time payment during a 30 day period within a 12 month period

## **CALDWELL COUNTY**

- 1. Following Standard County policy unless identified here.
- 2. Who can apply: Only natural and adoptive parents and stepparents can be included in the cases with their children. All other caretakers receive for the children only. Children in child-only cases must live with a responsible adult as determined by the department of social services. That adult is acting in the parent's stead.
- 3. No financial sanctions will apply. There will a three month eligibility period to try to work with the family. Then if they do not cooperate, the case is terminated at the end of the third month. The family cannot reapply for assistance until the fourth month following termination. The same penalty applies when a recipient quits two jobs without good cause.
- 4. For non-cooperation with child support enforcement, the case is terminated immediately when notified of the non-cooperation with child support. Otherwise, same sanction structure applies.
- 5. Before a Work First application can be processed, the applicant must meet with Child Support Enforcement. Failure to do so will result in denial of the Work First application.
- 6. Diversion Assistance: Standard Policy with the exception that if the family subsequently reapplies for Work First, they must repay the cash portion of the Diversion Assistance they received.
- 7. Cash emergency assistance:
  - Related child under age 18 living in home and attending school
  - Income cannot exceed 110% of poverty
  - Assets cannot exceed \$10,000
  - \$300 maximum payment with exceptions up to \$500; one-time payment during a 30 day period within a 12 month period;

## **CASWELL COUNTY**

- 1. For specific criteria not addressed, Caswell County will adopt criteria in the Standard Plan.
- 2. Age of child: Children up to age 18 may be covered. Children age 18-20 may be covered if they are scheduled to receive their high school diploma or high school certificate prior to their 20th birthday. This only applies for full-time students, who are in good standing with the Local Education Authority, and who are making satisfactory progress toward completion of high school diploma or a high school certificate. No child age 20 or beyond will be included in the payment.
- 3. Only parents may be included in the payment with their children.
- 4. Certain specified relatives may be permitted to head child-only cases. These include blood/half blood relative or adoptive relative limited to brother, sister, grandparent, great-grandparent, uncle or aunt, great uncle or great aunt, nephew, niece, first cousin, second cousin; step relatives, parent, brother or sister; spouse of anyone in the above group even when marriage ended by death or divorce.
- 5. Maximum Need and Payment Standards are reduced by 5% from the amounts used in March 1998. Net income is subtracted from the Need Standard and the payment is 50% of the deficit.

Payment Standard used in March 1998; Need Standard is double each amount.

Number on Work First	1	2	3	4	5-	6	7	8
Payment standard	\$181	\$236	\$272	\$297	\$324	\$349	<b>\$</b> 373	\$386
Number on Work First	9 10		11 12		13 14		Each additional	
	\$406	\$430	\$448	\$473	\$496	\$521	Add \$25	

- 1. The income of individuals who are legally responsible for the support of the minor children and who reside in the home with the children will be counted for determining eligibility and payment amount. Stepparent income will be counted after the needs of the stepparent are taken into consideration. Stepparent needs will be considered according to the Standard of Need.
- 2. All income, except earnings of children, income of SSI recipients, Foster Care Assistance, Adoption Assistance, and EITC, unless an income type is excluded by other law.
- 3. Earned income for recipients will not be counted for recipients for the first month of employment; thereafter the exemptions and deductions in place in July 1, 1996 will be used. These are the federally required earnings deductions in place at that time.
- 4. Assets above \$2,000 will be counted; vehicle up to \$5,000 excluded. For two-parent cases, the exclusion applies to two vehicles. Reserve of SSI recipients counts.
- 5. Benefits will be limited to 20 months cumulative for those active in Work First employment services. Following this, a family will be ineligible for a period of 36 months, unless the governing Board grants an extension for Good Cause.

- 6. Applicants and recipients must cooperate with child support or their application will not be approved and ongoing cases will be terminated.
- 7. In a single parent family, a parent of a child less than 3 months in age is exempt from the work requirement.
- 8. Applicants will see employment services staff before an application is taken to assess whether child support, child care, immediate employment options, benefit diversion or any other agency or community resources could eliminate the need for an application for Work First.
- 9. Diversion Assistance: Follows Standard rules except if family reapplies, county proposes to take number of months in Diversion from time clock.
- 10. Sanctions: For failure to comply with Mutual Responsibility Agreement, without good cause:
  - First sanction 25% payment reduction;
  - If compliance is not achieved by the end of month one, a 50% payment reduction for month two:
  - If compliance has not occurred at the end of the second month, a \$0 payment will be made for month three.
  - If compliance has not occurred at the end of month three, the case will be terminated and cannot reapply for 3 months..
  - If family reapplies, MRA requirements must be met before the first payment is made case receives a Zero Payment until requirements are met.
  - If the family again begins to receive assistance and again violates the MRA, the same sanction schedule described above will be followed by a period of ineligibility for 12 months for failure to regain compliance.
- 11. Penalties for ending jobs: Applicants who refuse an offer of employment prior to approval of their application will be ineligible for a period of 3 months, effective the date application was made. Applicants who have been informed of the job-quit policy, and then quit a job, voluntarily reduce work hours, or are fired from a job for conduct within their control, will be penalized by a period of ineligibility for three months. Completion of a MRA outlining the work requirement is an eligibility factor for clients in this circumstance. Once the new application is approved, a \$0 payment will be made until compliance with the requirement is met, except for good cause. If the applicant begins to receive benefits and again violates the job-quit policy, the period of ineligibility will be 12 months. Current recipients who refuse to accept employment, who quit jobs or voluntarily reduce hours or are fired for conduct within their control, will be subject to sanctions listed above.
- 12. County will continue pay-after-performance policy for two-parent families.
- 13. For families that fail to return a quarterly report face a 30% payment reduction sanction for one month; subsequent failure will result in a 50% penalty.
- 14. When licensed or registered child care is not available, but child care funds are, the parent is responsible for locating a non-registered provider who can care for the child to allow the

parent to meet the work requirements. Failure to do so results in above described sanction.

- 15. Caswell County will use a two-part Mutual Responsibility Agreement.
- 16. Cash emergency assistance:
  - Related child under age 18 living in home and attending school
  - Income cannot exceed 110% of poverty
  - Assets cannot exceed \$2,000
  - If family is in sanction, not eligible
  - \$300 maximum payment; one-time payment during a 30 day period within a 12 month period;

# **CHATHAM COUNTY**

- 1. Chatham County will follow the Standard Plan's policies. They reserve the right to reexamine these requirements at a later date.
- 2. Cash emergency assistance:
  - Related child under age 16 living in home and attending school
  - Income cannot exceed 110% of poverty
  - Assets cannot exceed \$2,200; liquid assets limited to \$300
  - \$300 maximum payment; one-time payment during a 30 day period within a 12 month period;

#### **CHEROKEE COUNTY**

- 1. Who can apply and be included: Parents are the only relatives who can be included with the children (not stepparents). Stepparents and other specified relative can be payees.
- 2. Calculation of earnings: \$90 work related expense deduction no other deduction from gross earnings.
- 3. Payment Calculation: Subtract net income from Need Standard; payment is 50% of the deficit. See Caswell County for amounts.
- 4. Standard County sanctions but if a client is sanctioned in another county or state, that sanction will follow him to Cherokee County if the reason for the sanction is consistent with Cherokee's policy.
- 5. Single parent of a child less than 6 months of age is exempt from the work requirement.
- 6. Administrative reopens: When a case is closed due to client error and the client request that the case be reopened, the payment is prorated from the date that the client provided all necessary information.
- 7. Cash emergency assistance:
  - Related child under age 18 living in home and attending school
  - At least 1 able bodied adult must be employed or meeting the requirements of the Work
     First Employment Program
  - Income cannot exceed 110% of poverty
  - Assets cannot exceed \$10,000
  - \$300 maximum payment; one-time payment during a 30 day period within a 12 month period;

# **DAVIE COUNTY**

- 1. Application process: Applicant must comply with First Stop, sign a Mutual Responsibility Agreement, meet with a child support worker, and employment services worker prior to the application being approved.
- 2. The County seeks ways to simplify the Work First application and review processes. The agency will have two Mutual Responsibility Agreements.
- 3. Earned income exclusion: Recipients who become employed will receive a one-time-only exclusion of 100% of their earnings for the first three months. Once this exclusion ends, all gross earned income will be counted in the payment calculation.

# **FORSYTH COUNTY**

- 1. Standard policies apply
- 2. Cash emergency assistance:
  - Related child under age 18 living in home
  - Income cannot exceed 110% of poverty
  - Assets cannot exceed \$2,200; liquid assets limited to \$300
  - \$300 maximum payment; one-time payment during a 30 day period within a 12 month period;

# **HENDERSON COUNTY**

- 1. Standard policies apply except for sanctions.
- 2. Sanctions: First sanction 25% payment reduction for 23 months; Second Sanction payafter-performance for 3 months, if at the end of three months compliance is not reached, the case is terminated; Third Sanction Case termination or suspension for 3 months, family may reapply after the end of the three month period; Fourth and subsequent sanction termination from the program for the duration of the family's 24 month time limit.

#### **IREDELL COUNTY**

- 1. Assets: \$3,000 limit Count liquid assets defined as cash on hand, savings and checking accounts, and equity in real property used as a home site. A family is allowed up to \$10,000 fair market value in vehicles, leased or owned. Anything over \$10,000 is counted toward the asset limit.
- 2. Countable income: All earned and unearned income is counted, including SSI, except for EITC, educational loans, grants, and scholarships.
- 3. Income calculation: Standard policy for earned income calculation.

Balance of earned income

#### +unearned income

- = Total income
- Section 8 credit (amount of increased rent created by job)
- =Total Income

The total income is subtracted from the payment standard (Standard policy). The difference is the payment.

- 4. Minimum payment: If the payment is \$50 or less, the case is ineligible
- 5. Quarterly reporting eliminated.
- 6. Cases will be reviewed every three months and payments will be recalculated for the next three months.
- 7. Sanctions: First sanction payment reduction of \$100 for 3 months or 25% reduction for child support sanctions; Second and subsequent sanctions Termination for at least one month or until the client is in compliance.
- 8. Job Quit Policy: When an applicant voluntarily quits a job without good cause within 30 days of the date of application the entire household will be denied Work First for three months (month of application and two months following). For an ongoing household, the benefits are terminated for three months or until the job quit is cured (obtain another job working at least 35 hours per week).
- 9. Pay-after-performance applies to all families once the family is receiving cash assistance and there is a mandatory Work First Employment Services participant.
- 10. Diversion Assistance Standard policy except that family must repay the cash portion of Benefit Diversion.
- 11. The first conviction of Work First fraud will result in permanent disqualification from receiving Work First Cash Assistance.
- 12. Families are limited to two administrative reopens per case. After a case has been reopened twice, the family must reapply for assistance.
- 13. Applications: 30 day process of all applications; applications must seek child support services before the application can be completed.

#### LINCOLN COUNTY

Who can apply – Standard policy except that for child only cases, the director or his designee
must determine that the living arrangement is in the best interest of the child before cash
assistance can be authorized.

#### 2. Sanctions -

- Failure to sign MRA denial of application or termination of case
- Failure to comply with the MRA results in the following sanctions:
  - 1<sup>st</sup> sanction reduce payment by half for 3 months or until compliance. If family complies, sanction stops.
  - 2<sup>nd</sup> sanction terminate cash assistance for 3 months
  - 3<sup>rd</sup> sanction terminate cash assistance for 6 months
  - 4<sup>th</sup> sanction terminate cash assistance for 12 months

#### 3. Cash emergency assistance:

- Related child under age 18 living in home
- Income cannot exceed 100% of poverty; All income, including SSI is counted
- Assets cannot exceed \$500 in liquid assets
- \$300 maximum payment; one-time payment during a 30 day period within a 12 month period;

### MACON COUNTY

- 1. Kinship: The following relationships meet the kinship rule: Parent, including a natural mother or father, a legal father, or adoptive parent after the issuance of final order; brother sister, including half brothers or sisters, grandparent, uncle or aunt, stepparent.
- 2. Income and Needs Assessment: Counts all income with no exceptions. Count SSI minus the SSI recipient's needs.
- 3. Determining Net Earned Income: For the first 3 months, exclude 100% of earned income. After 1<sup>st</sup> three months, deduct the \$90 work-related expense and child care. Eliminate quarterly reports; implement face to face redetermination interviews every three months; make no changes in case benefit due to income changes during the 3 months.
- 4. Resources: \$2,000 resource limit, all resources that are available within 5 days or can be made available, will count; household is allowed up to \$4,650 Fair Market Value in one vehicle. Fair Market Value of all other vehicles will count as an available resource to the household (includes leased vehicles); SSI recipient's assets are counted.
- 5. Application Processing: Applicants required to provide information required to complete the determination of eligibility. If applicant does not provide information within 30 days, caseworker may deny application on the 30th day. Application is taken on the same day the applicant comes to the office. Applicants required to seek employment for at least the first two weeks while application pends.
- 6. State Residence: All Work First Family Assistance applicants moving to Macon County from another State will be subject to all sanctions that have been applied in the previous state of residence. If Macon County penalties are greater than the previous state of residence, the greater penalty will apply. Applicants moving in from another state will be looked at for quitting a job in the same manner as Macon County residents in regards to sanctions or denial of assistance. Relocation funds may be used to help families voluntarily move if there is a support system for the household in another county or state that would make employment possible. Limit of \$300 per household and households would be eligible only one time within an 18 month period. If household applies for and receives benefits at a later date, this assistance must be repaid.
- 7. Payment calculation: Net income is subtracted from Need Standard, payment is 50% of the deficit. See Caswell County for amounts.
- 8. Sanctions: First sanction, \$75 payment reduction or 25% reduction for child support non-cooperation for 3 months. Second sanction, termination for 3 months. Subsequent sanction: Termination for 6 months.
- 9. Job quit penalty: Refusing or quitting a job without good cause will result in termination for three months. After this, the next sanction is applied with is 6 months termination.
- 10. Cash emergency assistance:
  - Related child under age 18 living in home
  - Income cannot exceed 110% of poverty
  - Assets cannot exceed \$2,200; liquid assets limited to \$300

• \$300 maximum payment; one-time payment during a 30 day period within a 12 month period;

# McDowell County

- 1. All income sources including SSI payments will be counted; assets of SSI recipients will count.
- 2. Failure to allow an in-home visit by DSS workers will result in ineligibility.
- 3. Recipients who do not have a high school diploma or a GED are required to take the CASAS test. Failure to do this will result in ineligibility for Work First.
- 4. Cash emergency assistance:
  - Related child under age 18 living in home
  - Income cannot exceed 110% of poverty
  - Assets cannot exceed \$2,200; liquid assets limited to \$300
  - \$300 maximum payment; one-time payment during a 30 day period within a 12 month period;

# POLK COUNTY

Standard County policies apply.

# **NEW HANOVER COUNTY**

- 1. Income: Standard policy except that the income of a "significant other" who lives in the home is counted/calculated just as if he was included in the case.
- 2. Sanctions for failure to comply with MRA, job quit, child support non-cooperation:
  - First sanction 25% payment reduction for 3 months
  - Second sanction 50% payment reduction for 3 months
  - Third sanction termination of benefits. Families will be unable to reapply for a period of three months from the last infraction.
- 3. If a case has been closed because the client does not sign Part II of the Personal Responsibility Contract it cannot be administratively reopened. Clients will have to come tot he office to reapply and be assessed by an employment services worker. Benefits will be prorated from the date the client reapplied and meets the requirements.
- 4. Applications will be denied on the 45<sup>th</sup> day if the client has not provided information to determine eligibility unless there is a legitimate reason for the delay.
- 5. Cash emergency assistance:
  - Related child under age 18 living in home
  - Income cannot exceed 110% of poverty
  - Assets cannot exceed \$2,200; liquid assets limited to \$300
  - \$300 maximum payment; one-time payment during a 30 day period within a 12 month period;

# RANDOLPH COUNTY

- 1. Application process: applicants must register with First Stop and cooperate with employment services or application is denied.
- 2. The county has developed a Mutual Responsibility Agreement for all applicants.
- 3. Cash emergency assistance:
  - Related child under age 18 living in home
  - Income cannot exceed 110% of poverty
  - Assets cannot exceed \$2,200; liquid assets are limited to \$300
  - \$300 maximum payment; one-time payment during a 30 day period within a 12 month period;

# **RUTHERFORD COUNTY**

- 1. Sanctions: The following sanctions will apply for non-compliance with Child Support, MRA's, school attendance, immunizations, medical exams, and employment services:
  - First \$100 for 3 months unless the payment exceeds \$400 at which time the sanction would be 25% of the payment.
  - Second Suspension for 3 months
  - Third and subsequent Suspension for an additional 3 months
  - Prior sanctions will be forgiven when new ones are implemented.
- 2. Job Loss Penalty: When an adult family member loses a job either by quitting or being fired due to his behavior or actions, the penalty is a full family penalty for 6 months unless the adult has good cause.
- 3. Living With: A child cannot receive in another assistance unit if he has been receiving in a Work First assistance unit and the adult members' time limit is up or a sanction or penalty has been applied unless there is good cause. Good cause is the child's parent is deceased, the new family has custody, or DSS has placed the child in that home.
- 4. Incentives: Monetary incentives will be given to recipients who become employed within one year of receiving Work First and remain employed for 90 days at that same job.
- 5. Exemption: An adult who has child under the age of 1 may be excluded from participation for 3 months.
- 6. Substance Abuse: Clients who do not comply with treatment lose their benefits for a 30 day period. Benefits are fully reinstated once the client complies with his treatment plan for 30 consecutive days.
- 7. Cash emergency assistance:
  - Related child under age 18 living in home
  - Income cannot exceed 110% of poverty
  - Assets cannot exceed \$3,000; vehicles excluded; liquid assets limited to \$300
  - \$300 maximum payment; one-time payment during a 30 day period within a 12 month period;

# SAMPSON COUNTY

- 1. Application Process: Applicants must provide verification of registration with ESC and Child Support prior to the approval of an application for Work First benefits.
- 2. Diversion Assistance: Follow Standard policy with one exception. If recipient reapplies for assistance within 36 months, a penalty of \$50 per month is imposed for 12 consecutive and non-consecutive months.
- 3. Who can apply: Parent, including biological, adoptive, or stepparents, applying for a child must be included in the Work First Family Assistance case; Other relatives that meet kinship requirement must have legal custody or guardianship to apply for children but will be included in the payment with the exception of when the children are removed by DSS as a result of neglect or abuse and placed in custody or a relative. The relative nor the relative's income will be included in the calculation of the payment.

#### 4. Sanctions:

- First \$100 for 3 months or 25%, whichever is greater
- Second \$100 for 3 months or 25%, whichever is greater
- Third \$100 for 6 months or 25\%, whichever is greater
- Subsequent \$100 or 25%, whichever is greater, for 12 months.
- 5. Family Cap: Follow Standard policy with the exception that there is no teenage parent exemption.
- 6. Overpayments caused by the timely notice is considered an overpayment and must be repaid.
- 5. Minor Parent: Follow Standard policy with exception that the boyfriend and/or friend (male) situation will be assessed by Protective Services as appropriate.
- 7. Temporary Absence Will follow Standard policy with exception that the child/adult can be absent only for medical treatment.
- 8. Assets Standard policy, except that there is only one vehicle exclusion per family.
- 9. Countable income: count income of SSI recipients and specified relatives
- 10. Earned income calculation: For ongoing cases, for the first three months each individual has earnings, the income is disregarded in full as a job bonus. The job bonus will only be allowed for 3 months out of 12 months. For applicants who are working and for ongoing cases after the job bonus, a standard wage deduction of \$225 is subtracted from the monthly gross earnings to arrive at the net.
- 11. Quarterly Reporting: If QR is not received by the pull check date, the case is terminated. If received by the pull check date, no penalties are applied.
- 12. Minimum payment: case is ineligible if payment is less than \$10.
- 13. Administrative Reopens: Eliminated

# **STOKES COUNTY**

- 1. Sanctions:
  - First sanction \$50 benefit reduction for 3 months
  - Second and subsequent sanction Ineligibility for 3 months for entire family
  - Failure to comply with Child Support Enforcement results in suspension of assistance until compliance is reached.
- 2. Job quit policy: Three calendar months of ineligibility for the family for each quit. At application, the penalty applies for the month of application and the two months following. The adult may cure the penalty by accepting other full time employment (35 hours per week).
- 3. Applications will be denied on the 30<sup>th</sup> day if the client has not registered with First Stop or fails to cooperate with Child Support Program.

# **SURRY COUNTY**

- 1. Diversion Assistance: Standard policy except it is allowed once every three years for appropriate families. No repayment provisions if families do not apply for assistance for three years. If family begins receiving assistance, must repay at a rate of \$50 per month.
- 2. Assets Standard policy except if there is a 16 year old in the home who is working, a vehicle is also excluded for him. Assets of SSI recipient is counted.
- 3. Temporary absence: Standard policy except that the period of absence is 30 days rather 90 days for children and adults.

#### 4. Sanctions:

- First Sanction suspension for 1 months or until compliance
- Second sanction suspension for 3 months or until compliance
- Third sanction suspension for 12 months or until compliance
- Failure to cooperate with Child Support enforcement will result in termination of the Work First Cash Assistance.
- Refusal of a job without good cause will result in termination or denial for three months
- 5. Changes not reacted to during the 3 month review period.
- 6. Minimum payment is \$10.
- 7. Pay-after-performance for two parent families starts 30 days after receipt of first check (second check is pay-after-performance); For single parent families, pay-after-performance begins 12 weeks after receiving Work First Cash Assistance (gets 3 checks then the fourth month is pay-after-performance
- 8. Benefit Diversion: Standard policy, except that if a family reapplies for assistance within 36 months, will either have to pay back the Benefit Diversion at a rate of \$50 per month or have 3 months of their 24 months and 5 year time clocks activated.
- 9. SSI is counted

# TRANSYLVANIA COUNTY

- 1. Age limit for children: Up to age 18 unless the child is a full-time high school student on his/her 18th birthday. Can receive as long as he is a full-time high school student, until graduation or his/her 19th birthday, whichever comes first.
- 2. Countable income: Standard policy applies, except for income of full-time high school students working no more than 20 hours per week. If a full-time high school student is working more than 20 hours per week, income from the first 20 hours will be exempted. There will be no penalty for holiday or summer work by full-time high school students, i.e., full-time work (40 hours per week) by such students during the summer vacation or on holidays will be exempted.
- 3. Sanctions for violations of Mutual Responsibility Agreement, including job quit:
  - First \$100 payment or 25% for child support non-cooperation payment reduction for 3 months
  - Second and subsequent Zero payment for 2 months
- 4. Assets: Standard policy, except exclude up to \$5000 of the value of one car; remainder counts toward the \$3000 limit.
- 5. Exemptions from work requirement: One parent will be exempt from the work requirement until their child is six (6) months of age. Such parent must have a parenting assessment and (if needed) a GED assessment during the period of exemption.
- 6. County will continue pay-after-performance for two-parent families.
- 7. Diversion Assistance: Standard policy except that Benefit Diversion must be repaid...
- 8. County will require signing of Mutual Responsibility Agreement.
- 9. Cash emergency assistance:
  - Related child under age 21 living in home; applicant may be pregnant if there are no other children in the home
  - At least one able-bodied adult in the home must be employed or if a Work First household, all able-bodied adults must meet all requirements of Work First Employment Services
  - Income cannot exceed 110% of poverty
  - Assets cannot exceed \$2,200; liquid assets limited to \$300
  - \$300 maximum payment; one-time payment during a 30 day period within a 12 month period;

# **WILKES COUNTY**

- 1. Child Support: Applicant must meet with a child support agent within 10 calendar days from the date of application or the application will be denied.
- 2. SSI is counted as income.
- 3. Before a Work First application can be processed, the applicant must meet with Child Support Enforcement. Failure to do so will result in denial of the Work First application.
- 4. Sanctions for failing to comply with Mutual Responsibility Agreement:
  - First payment reduction of \$100 (or 25% if payment more than \$400) for three months
  - Second Zero payment for three months
  - Third termination for 12 months
  - Failure to sign the MRA results in a period of ineligibility for 1 months before the recipient may again receive cash assistance.
- 5. Examples of good cause are:
  - Caretaker's cooperation with electing eligibility requirements can reasonably be expected to result in physical or emotional harm to himself or child
  - Child is victim of rape or incest
  - Legal proceedings for child's adoption are pending

Appendix E

# SUMMARY OF PUBLIC COMMENTS ON MAY 15, 1998 DRAFT STATE PLAN

Following is a summary of the numerous comments sent to the North Carolina Department of Health and Human Services regarding the draft State Work First Plan, the State's Temporary Assistance for Needy Families (TANF) program. Comments were submitted by State and county social services staff, staff of other State agencies, advocates, non-profit and community-based organizations, representatives of the faith community, individual citizens, and others. All comments were carefully reviewed and considered and many are addressed in the Work First Plan. Please note that 1) a number of the recommendations are not allowable under either federal or State law, and 2) a number of the recommendations were for provisions already included in the draft State Plan. We included these recommendations, however, to ensure that all comments received were represented. In addition to the substantive comments summarized below, a number of technical comments were offered and, where appropriate, corrections and revisions have been made. Comments are available in their entirety from the Division of Social Services.

The summary is organized primarily by issue area and, where possible, references are made to the relevant section of the draft State Plan.

#### INTRODUCTION

#### **Recommendations:**

- Include a bigger vision statement than, "Keeping families off welfare," "Shortening the length of time that families are on welfare," and "Helping families stay off welfare."
- The mission statement for the Plan should be "Assist Work First Families to Self-Sufficiency."
- Address the kinds of support needed by families, where it will be found, and how it will be provided.
- Indicate the level of decrease of welfare roles for each fiscal year, not just the 31% decreased since June 1995.
- Set aside a statewide supplemental fund to support those qualifying adults interested in higher education or special technical training; use monies available due to caseload reduction.
- Reflect a comprehensive picture of the relationship between welfare dependency and the complex social, economic, and demographic issues that contribute to welfare dependency in North Carolina.

## Two-Year Time Limit

- Eliminate the two-year time limit, unless there is a concerted effort to track down dead beat dads and recognize the stresses on single moms, this Plan reinforces the feminization of poverty and causes further suffering of children.
- Eliminate the two-year time limit, and focus on broader issues involved in helping families become self-sufficient, and showing that Work First will be successful in moving families to self-sufficiency.
- Eliminate the two-year time limit until the barriers that prevent many families from supporting themselves through employment are addressed -- including child care waiting lists, housing waiting lists and lack of after hours child care.

- Elaborate more on the welfare time limitation consequences; describe what is proposed for individuals who exhaust their two-year time limits.
- Set standards for when counties will grant extensions to the two-year time limit. Counties, caseworkers, clients, and administrative hearing officers need a standard for deciding when to grant extensions. Otherwise, counties could act arbitrarily.

#### Concerns:

- The possibility of rising caseloads in the face of an economic downturn is noted, however, there is no proposal as to what the State will do if such an event occurs and welfare roles swell.
- Child Care is listed as one of the services available to help keep families out of the welfare system; however, it is not clear if there is a monetary limit on the payment of child care during the three-month period. (Note: This same comment applies to the explanation of Diversion Assistance).
- Most religious and community groups are still learning about Work First and planning
  whether and how they might increase support services to families. Ending cash assistance for
  families before "basic supports" (transportation, child care, etc.) and new emergency and job
  retention services are organized is punitive and unrealistic. To do so only serves the goal of
  caseload reduction, not poverty reduction and child well-being.

#### PUBLIC INVOLVEMENT

#### **Recommendations:**

- Include on an on-going basis representation of former Work First participants on the State Work First Planning Board, and as part of the overall State Work First planning process.
- Use expertise of community-based organizations in promoting the information exchange and referral network between DSS and housing providers.
- Parents and churches should be included in all phases of planning Work First.

## PROGRAM ADMINISTRATION

#### Recommendation:

• Add the North Carolina Partnership for Children (NCPC) to the list of coordinating agencies.

## WORK FIRST ELIGIBILITY CRITERIA (STANDARD COUNTIES)

#### **Recommendations:**

- Hold another review of recommendations from the Work Activities and Benefits Task Group relative to counting income and assets and using incentives, i.e., extending financial benefits for compliance in the Personal Responsibility Agreement, as well as sanctions.
- Place greater emphasis on helping people who are progressing, but who are hitting the two year time limit. Greater transitional assistance with extensions of their cash assistance is appropriate for families meeting the work requirements, but who are not yet able to support their families without the additional Work First cash assistance payment.

# **DIVERSION ASSISTANCE (STANDARD COUNTIES)**

## **Recommendations:**

- Eliminate the requirement that welfare recipients must re-pay funding for Diversion Assistance if they subsequently receive TANF cash assistance within 36 months
- Clarify the Benefit Diversion provisions to ensure that it is a family's choice whether to apply for Benefit Diversion.
- Enhance the Diversion Assistance Program and make it more flexible. The use of Diversion Assistance could be an effective means to provide financial aid to families while diverting them from more long-term assistance or being "caught in the system."

# Support:

- For the proposal to limit the re-payment time period to three years.
- For the Benefit Diversion provisions.

# FIRST STOP EMPLOYMENT ASSISTANCE PROGRAM

#### **Recommendation:**

• To make system more efficient, allow Employment Security Commission representatives to train and supervise DSS Intake Workers in completing the work registration..

## SUPPORT SERVICES

#### **Recommendations:**

- Clarify legally operating child care providers with the following wording. "To receive public funding, child care providers must abide by the subsidized child care policies administered by the Division of Child Development."
- Clarify, under Health Care and Substance Abuse, that "early childhood services are provided when substance abuse is identified to ensure the healthy development of children in these families."
- Provide local options regarding where local DSS employees and substance abuse professionals are housed. Their respective responsibilities may be carried out in various ways in addition to same office locations.
- Provide more transportation for poor families trying to get to work.
- Include allowance for GED (the minimal educational requirement for a woman to get training for a job that yields a sustainable income).
- Allocate NC Department of Transportation funding for use of Geographic Information
  Systems technology to map available transportation systems, employers, child care, and low
  income housing in each county or region of the state. (Guilford County is currently
  beginning to use the Geographic Information System which is discussed in the State Plan.)
- While the vehicle exclusion is helpful to families with cars, it does not begin to address the
  needs of families without cars. A statewide transportation plan for families to acquire autos
  at low or no cost should be implemented. In addition, when two working people in a family
  use cars for transportation, the second car should also be exempt.
- Families should be encouraged to self-declare their housing needs so that our staff can refer them to appropriate community resources. Consolidation of targeted funding sources and many conclusions of the Housing Committee of the Human Services Task Force should be

incorporated.

# Child support

- Insure that various forms of IV-D intercept are working, such as tax intercept and wage garnishments.
- Require paternity establishment at the time of intake.
- Provide family bonuses, or other incentives when court orders are established.
- Track parents through the statewide tracking system, or establish one if SIPS cannot accommodate.
- Work as hard on non-Work First cases they are at risk of welfare dependency.
- The elimination of the county bonus funds for state-run IV-D counties undermines the cooperative agreements and collaboration achieved in the past. Reinstate the bonus funds to continue the successful partnership needed to meet the goals of this program.
- The Plan should include strategies for enforcing child support for Work First families; currently only 40% of Work First families have court ordered support. The Plan should also include assistance for absent parents in securing and maintaining employment.
- Clarify that there are good cause provisions for non-cooperation with child support (i.e. putting the mother or children at risk of domestic violence).

#### Concerns:

- The Plan does not provide adequate child care once the allotted two years are up. Without child care, how will these women maintain the job which is supposed to keep them self-sufficient?
- The issue of quality child care is not sufficiently addressed.
- The Plan does not address that some children may be left alone so parents can work. After-hour care remains almost non-existent in many communities.
- The Plan does not adequately address families' housing needs, but continues to sanction families for whom this may be an issue and to terminate their benefits under the time limits. If families do not have adequate shelter, or if they are crowded into small living spaces with other families, the children's health and well-being are at risk and there are increased barriers for the adult to be able to get and maintain employment.
- Substance abuse policy would be enhanced by ensuring that services such as child care and transportation are provided to help families comply with screening and treatment requirements. Good cause for non-compliance with treatment must also prevent the implementation of sanctions. The DSS staff and the Qualified Substance Abuse Professionals should be trained in family supportive curriculum, so they can help the entire family through this difficult issue. Area Mental Health Authorities must also be monitored and evaluated regarding their ability to respond to the new requirements and needs created by this program.
- The Enhanced Employee Assistance Program focuses too narrowly on substance abuse at the expense of issues such as chronic depression, mental deficiencies, and poor skills for family financial management. Encourage a more holistic approach to serving the WFFA population who leave welfare for work.
- Parents who are substance abusers cannot adequately provide a living for their family on a
  consistent basis, and low literacy parents cannot find adequate employment to move to selfreliance if they don't make enough money.

# **Support:**

• For the recommendation to explore the use of the Geographic Information System to develop better transportation solutions for welfare-to-work. Recommendation of funding for counties to develop programs which could be used with individual clients since the GIS has been used heretofore primarily for policy analyses and program planning.

#### FRAUD AND ABUSE

#### Concern:

 Automation and tracking mechanisms need to be in place before implementation of the Administrative Disqualification Hearing process for individuals found quality of IPV for WFFA -- potential collections are missed due to the lack of automation in the Program Integrity area.

# Support:

• For disqualifications for individuals found to have committed an intentional program violation.

## **AUTOMATION**

#### Recommendations:

- Describe plans to develop an automated single application to streamline and simplify the process.
- The State's first priority should be re-creating an automation system capable of responding to specific issues already identified for the Division and putting a system in place that will respond to data collection and evaluation needs.
- Any automation and simplification initiative in Work First should be based on providing greater service and access to clients, to have appropriate data to manage and evaluate the success of our program, and to eliminate duplication in collecting data, not to facilitate privatization and outsourcing. Public policy goals must be based on improving services and providing the most efficient use of tax dollars for our citizens.

## **PROGRAM EVALUATION**

#### **Recommendations:**

- The State Plan should include the development of an Evaluation Advisory Panel, composed of program administrators and social researchers, that could help decide and focus critical evaluation issues, and recommend centers where evaluation studies might be best carried out.
- Monitor the effect reforms are having on families, including on the physical, emotional, and psychological well-being of children.
- Make easily available to the public, on a quarterly basis, reports on the monitoring data of Maximus and the Jordan Institute for Families. If these monitoring systems do not cover family financial status six months and one year after ending Work First involvement, add this kind of monitoring program, so we can see whether or not employment means self-sufficiency. Use NC Equity's Self-Sufficiency Standard as the measure of families' actual ability to be self-supporting; arrange benefits accordingly.
- Include a provision to review and adjust work participation rate requirements, sanctions, and

- benefit level calculations, based on results of the "working poor" county studies submitted to the state by the Employment Security Commission on May 1, 1998.
- State agencies should exchange already collected and reported information from the localities rather than adding to reporting requirements at the local level (particularly concerning school data).
- The Division of Social Services should expand its research agenda with the Jordan Institute, particularly to look at family decision-making around work vs. welfare, maximizing economic advantages to the family, and examining family consumerism. (Comment by this county that in its first two months of implementation of First Stop over 30% of WFFA applicants failed to comply with work requirements, suggesting serious questions about "need" and about the family resources or access to resources since there is no discernible change in their consumption of basic human needs.)
- The Plan should include an analysis of data regarding the issues in North Carolina that contribute to poverty. It should include strategies to address economic changes in the state such as an upturn in the unemployment rate. It should include a plan for families who lose their assistance check and have not achieved self-sufficiency.
- Monitoring data of Maximus and the Jordan Institute should be easily available to the public.
- In DHHS's assessment of Work First, include indicators such as percentage of families earning a livable wage and/or the percentage of families earning above the federal poverty level.
- Include and secure funding for a permanent and ongoing evaluation of the state's welfare program to determine its impact on the well-being of children and families. Require the evaluation to be conducted by an outside, independent evaluator.
- Remove all measures that will penalize children in instances where all assistance to the family is eliminated because an adult does not fulfill his or her obligations to the Work First Program.

#### Concerns:

- An analytic framework that permits the establishment of measurable welfare related social goals that will assist families to achieve economic independence has not been provided.
- We should use this evaluation opportunity to enhance our own capacities within the state.

#### ORGANIZATIONAL DEVELOPMENT

#### **Recommendations:**

- Elaborate on whether counties are allowed to contract out the eligibility process.
- Remove language which allows NCDHHS to promote and encourage privatization; a legislative study commission should be created to study this issue and what has happened in other states. A panel of public citizens should be formed to examine this issue and provide guidance to the General Assembly and to NCDHHS.

# **COMMUNITY PARTNERSHIPS**

#### **Recommendations:**

 The Plan should describe how the State will work with community partners such as United Way, Goodwill Industries, Salvation Army, etc. to achieve Work First goals.

• establish a church-based comprehensive partnership model to enable Work First clients to succeed in becoming skilled and resourceful persons.

#### **OUT-OF-WEDLOCK BIRTHS**

#### Recommendation:

• The Plan states that reducing out-of-wedlock births requires a number of strategies but mentions only tracking health departments and Adolescent Parenting Programs that will be monitored. A number of activities should be spelled out that can be undertaken by the State, such as a system of rewards.

# INDIVIDUAL DEVELOPMENT ACCOUNTS

# **Recommendations:**

- If there is a match rate for the one-time match described, state what that rate is.
- For such time as the state realizes savings in TANF funds through the reduction in caseload, the State Plan should include language that would make it possible for a portion of the savings to be used for match of IDAs. The following language could be added: "Some of the savings realized from the reduction in caseload may be used to support future IDA initiatives."

## **DOMESTIC VIOLENCE**

# **Recommendations:**

- If DSS staff are expected to screen for victims of domestic violence, they should receive special training (similar to the substance abuse training).
- Eliminate the provision that discusses screening for domestic violence.
- The state should consider using TANF funds for domestic violence programs.
- Immediately implement full extent of domestic violence protections.

# **Support:**

- For waiving Work First requirements in cases where compliance would make it difficult for the recipient to escape domestic violence, or would unfairly penalize victims of domestic violence. Many victims of domestic violence find themselves trapped in their homes with outside contact limited. In this situation, compliance with work activities and other requirements would be extremely difficult for many recipients.
- The Department's plan to adopt the Family Violence Option, and request that the State move quickly to implement this program statewide so that domestic violence victims are not further penalized when they already face very difficult circumstances.
- The use of this option and the pilot effort to support this program. It will be vitally important to share the best practice results from those pilots for statewide implementation after this initial two-year plan. We strongly recommend that family violence training be made available to staff that will be working with these families. Such training should include cross-training with local family violence program staff to promote greater collaboration and cooperation at the local level. (Durham County is interested in being a part of the pilot on the domestic violence option.)
- The State's proposed adoption of the federal Family Violence Option to protect victims of

domestic violence. The plan to do screenings should be replaced with universal notification for all DSS applicants for benefits.

#### Concern:

Adopting the Family Violence Option would "open the flood gates" in terms of the number
of referrals made to domestic violence programs; training is needed to ensure adequate
qualifications of the DSS workers involved.

#### **USE OF FUNDS**

#### Recommendations:

- Explain the plan regarding child care overpayments that are recouped by counties. Will counties be able to partially retain collections?
- Maintenance of Effort for Standard and Electing Counties should be the same; declining caseloads and the cost of needed services for the current Work First population must be considered in determining counties' required MOE.
- Funding should be allocated for trained professionals, independent of the Work First agency, to follow up with families who have lost benefits or who left the rolls in order to assess the family's condition, the impact of the loss of benefits on the children, and whether there are any difficulties or misunderstandings with Work First.
- If block grant funds can be used for follow up services for families who have left assistance, this possibility needs to be addressed more directly.

#### **IMPLEMENTATION**

#### **Recommendation:**

• The State should continue dialogue with federal officials regarding the specific data requirements in order to ensure their usefulness and development of knowledge.

# **Support:**

• For State's efforts to develop new and expanded automation systems to support data requirements of the federal welfare reform. Desire to download information in local networks for analysis and creating local management reports.

#### STATEWIDE WORK FIRST GOALS

#### **Recommendations:**

- Review other states' plans to see how they have set goals and benchmarks based on clearly articulated desired outcomes.
- Focus not only on reducing caseloads but also on decreasing the numbers of working poor, rather than adding former Work First parents to them.
- Use affirmative benchmarks that measure families' success toward economic independence rather than caseload reduction figures as the goal of Work First.
- There should be a measure that considers the number of children that are removed from their home, and ensuring child well-being should be the State's highest priority.

## **Concerns:**

- With a primary goal of simply reducing the Work First caseload, many families will have to
  depend on crisis assistance programs, emergency food centers and homeless shelters to
  survive. Addressing the underlying causes of poverty is of utmost importance for families to
  achieve self-sufficiency and thereby reduce dependence on public assistance.
- Counties may feel such pressure to reduce caseloads that this measure will actually be
  harmful to the goal of moving families to self-sufficiency. Moving families to selfsufficiency will involve establishing policies that address issues such as child care,
  transportation, health care, and increasing the minimum wage. Caseload reduction should
  not be a goal, although it could be used as one measure of another goal, such as getting adults
  into employment.

# FIRST STOP EMPLOYMENT ASSISTANCE PROGRAM

#### Concern:

• The Plan does not speak to the increased role of the Employment Security Commission in a successful Work First Plan, and how the Division of Social Services will modify itself in light of these changed mandates.

# WORK RESPONSIBILITIES

## Recommendation:

• The State Plan should reflect the need for community service programs to conform with the federal Fair Labor Standards Act.

#### **Concerns:**

- The language about individuals providing unpaid child care is concerning. Individuals who intend to open a legally operating child care business come to the Division of Child Development or the local child care resource and referral agency to request information and to find out about available training. It is unclear what information and training will be provided to these volunteers and who will educate them about the established rules and statutes.
- The Plan does not provide allowance for GED (the minimal educational requirement for a women to get a job that yields a sustainable income).
- The Plan requires only that the recipients work, not that they take a job that will yield a self-sufficient income. It does not provide "safety nets" for the likely situation of recipients who have not yet been placed or adequately trained for employment, therefore, are not self-sufficient.
- If recipients are not given more opportunities for job training and job counseling, families will not become self-sufficient.

#### NON-FINANCIAL ELIGIBILITY RULES

#### Recommendation:

Do not consider emancipated minors "minors" for the purpose of Work First; since they can
not be claimed as a dependent for tax purposes, they should not be defined as minors under
Work First.

#### Concern:

In terms of requiring Work First applicants to apply in their county of residence and eliminating case transfers between counties -- how will overpayment be coded; about IHE or Administrative errors in cases where a county does not know a case has moved and does not apply timely; about how to operate when an overpayment occurs in a Standard County, the case moves to an Electing County which has conflicting rules of eligibility criteria and which county will establish and collect the overpayment and what rules will be used in establishment of claims (i.e. should the county where the overpayment occurred establish the claim? What if the case file is in the new county of residence, which county should determine and collect the claim?) How will counties know the rules of eligibility for Electing Counties? Not doing any claims could shelter a lot of overpayments. Program Integrity needs specifics on how to handle overpayments in the Fraud and Abuse Section.

## FINANCIAL RULES

#### **Recommendations:**

- Align the asset level for TANF cash assistance with Food Stamps by setting it at \$2,000.
- Clarify how many times a recipient can receive a job bonus, and address the issue of temporary and part-time employment. Since this is a one-time bonus, if given a choice, the recipient may opt to defer receipt of the bonus if the employment is part-time or temporary.
- Eliminate prorated payments as they do not cover the debts that caused people to apply for Work First. Eliminating prorated payments would enhance efforts to achieve self-sufficiency.
- The job bonus allows families that get jobs while on Work First to continue receiving cash benefits with no reductions for three months. This practice should be linked to an across-the-board increase in benefits. Any reduction in benefits should be phased in to allow an additional 6 months of receiving cash assistance. The formula should consider family expenses and whether or not job earnings provide a self-sufficiency wage.
- Allow recipients to retain 50% of their earnings before benefits are reduced.
- Permit a range of income packaging options under which earnings and public assistance benefits can be combined.
- Allow the accumulation of up to \$10,000 in assets, without a reduction in benefits. Create opportunities for government and private industry to subsidize the savings of welfare recipients and low wage workers.
- Maintain the need standard; its elimination would assure that many needy families who currently qualify will be denied assistance and others will see significant reductions in benefits. Its elimination would mean families who have non-Work First income will receive less assistance or be denied help all together.
- Eliminate use of the "standard of need," but increase the "payment standard" from which the eligibility would be derived.
- Do not eliminate the Standard of Need. Instead, take into consideration expenses versus income t allow families to move from welfare poverty to self-sufficiency. Federal welfare law requires that all persons who would have qualified under the Work First Program income and resource rules in place on July 16, 1996, must still be found eligible for Medicaid today. The Medicaid eligibility standard should be a part of an overall uniform eligibility standard for counties throughout the State.

- Continue to clearly explain to families the time-limited nature of their assistance and the benefit of saving some months of eligibility for future crises. Alternatively, eliminate the Standard of Need as proposed but substantially increase the Payment Standard, by which all eligibility would be determined.
- Remove the more restrictive financial eligibility criteria. If this is not done, a separate category of Medicaid eligibility must be created to ensure that all persons who would have qualified under July 16, 1996, Work First rules can still receive Medicaid assistance. This should add no new expense since these people are currently eligible.
- Eliminate the current lump sum rule and the Food Stamp lump sum rule adopted. This will be a marked simplification of rules and is a more realistic way to treat income received in a lump sum.
- Expand the kinship rule but better define it regarding when children living with non-parent caretakers can receive assistance; eliminate language in the State Plan which gives this authority to Work First case workers.
- Add language that clarifies whether a family's time clock stops if the family loses cash
  assistance because of the \$25 minimum payment, refusal to sign the Personal Responsibility
  Contract, or missing an eligibility review. The 24-month time clock should not run in these
  situations and in any situation where the family does not receive assistance.
- Do not count Supplemental Security Income (SSI) to determine a family's eligibility for cash assistance and payment level. SSI is federal cash assistance provided to low-income disabled adults and children to help them live and pay for the additional costs that often accompany a disability and are not covered by Medicaid. To count these funds as income will disqualify many families with a member receiving SSI. Since this income is needed for health-related costs, it is inappropriate to count it as general income available to the family and for the care of the children, and doing so puts the child's well-being at risk.

# **Support:**

- For the job bonus.
- For the vehicle exclusion.
- For the provision that cases with less than a \$25 deficit will not be authorized for Medicaid through the Work First Program category. Pay-After-Performance cases should be the only "zero payment" Work First cases carried.

#### Concerns:

- Regarding overpayments for applicant with earnings at date of application and the 55% exclusion of gross monthly earnings -- when should those applicants be penalize and not allow a payment if an overpayment has been made due to earnings/employment and the worker is not informed. For families that do not participate in the three-month review and lose their WF cash assistance, will investigators recoup any months for overpayments, or is it a given?
- About the proposal to deduct benefits equivalent to all income, not excluding expenses of working.
- The Plan indicates, in error, that there are no more restrictive financial eligibility criteria in Work First today and, therefore, no one needs to be assessed for Medicaid eligibility under the July 16, 1996, rules. North Carolina had the 10th lowest benefit level in the country

under AFDC. A more practical program allowing families to keep more income while working will be more effective in helping to establish and keep individuals working.

#### **ELIGIBILITY REVIEWS**

#### **Recommendations:**

- Separate eligibility reviews should be waived for recipients active in employment services. For recipients not yet active in employment services, eligibility reviews should be completed within 90 days of application approval the period when most changes in eligibility occur. Once recipients are assessed for employment services, counties should be given the flexibility of setting appropriate time intervals for review based on each individual's situation. However, reviews should be completed at least every 12 months for clients who are not in an active employment service component.
- The first review for all cases should be completed within 90 days of approval. After that, no review is required for those cases active in employment services until the 24 month time clock is up, at which time the family is advised of extension policies and the case is closed. For cases not active in employment services, the county should have discretion as to when a review is done, based on worker's knowledge of the case.
- Eligibility reviews should be managed through automation.
- Families should not lose a full month of benefits when they have good cause to complete a late re-certification review if DSS or a third party causes a delay; add exceptions for when a family has good cause to be late, lateness is caused by a third party or the county DSS, or when the DSS Director or designee determines good cause exists.
- The proposed three month certification periods needs to be reconsidered because: 1) The whole intent of the federal and state legislature was to offer simplification and more local control; 2) The intent of the program is to encourage more responsibility on the part of the client with the county to be focused on "outcomes" rather than "process"; 3) While many counties will want to see every recipient quarterly (if not monthly), that should be left up to the county.

#### **SANCTIONS**

## **Recommendations:**

- The first sanction should be set at \$100 instead of a 25% reduction.
- Incorporate a Pay-After-Performance for all welfare recipients because currently there are no immediate consequences related to non-compliance. This would ensure timely consequences
- Maintain current sanctions, but implement 25% sanction for refusal to cooperate with child support enforcement, as required by federal law.) Harsher sanctions are unnecessary and only serve to punish children for circumstances beyond their control.
- Remove all sanctions that are harsher than those provided under the current federal and state laws
- Include requirements for county agencies regarding their responsibilities for counseling
  families about the sanctions, good cause consideration, and internal and external review of
  decisions. This would be more palatable to the advocacy community and ensure its fair and
  equal implementation statewide.
- A clear appeals process should be provided to all Work First participants. Persons who are

- sanctioned should be provided an explanation of the reason for the sanction. The appeals process should be uniform statewide, providing for appeals up to the maximum redress. Persons making appeals should be informed that they have the right to legal counsel and any other advocates they choose.
- Good cause to not to be sanctioned should be more clearly defined. Language should be added to the State Plan which clarifies specific situations when good cause exists for both work and non-work requirements. Hearing Officers should be given authority to apply good cause at their discretion on a case-by-case basis. The family's case should also be examined to determine if their two-year time clock should not have been started or should be stopped due to good cause found regarding sanctions.

#### Concerns:

- The change in sanctions for All Families is not designed to help families move toward self-sufficiency but only a means to reduce the welfare roles. Requiring families to meet regulations without any funds for shelter, clothing, transportation, etc., is setting them up for failure. It also punishes the children who are innocent bystanders in this process.
- The State proposal is to reduce benefits by 25% on the first infraction, then Pay-After-Performance for a minimum of three months. Families are subject to termination if deemed non-compliant. The State proposal amounts to a "3 strikes" policy. This condemnation of people in poverty is unresponsive to the charge given social services to help families succeed in moving from welfare to self-sufficiency. Strategies that are proactive and provide positive reinforcement opportunities could include motivational training, mentoring, job search, and job readiness assistance. Sensitivity training for case workers and supervisors on service delivery to needy populations is a must. There should be a review of all persons sanctioned. Persons under sanctions or terminated for rules infractions should be advised for their appeal rights.
- Opposition expressed to full family sanctions (which exists in certain Electing county plans).

## **Support:**

• For the sanction provisions in the Plan.

#### PAY-AFTER-PERFORMANCE FOR TWO-PARENT FAMILIES

## **Recommendations:**

- Abandon the Pay-After-Performance sanction.
- Automation is needed to manage the policy of Pay-After-Performance for the second and subsequent sanctions.

## **Concerns:**

- The sanctions that would be imposed through Pay-After-Performance could seriously jeopardize a family's efforts to be come self-sufficient.
- Pay-After-Performance places families and children unnecessarily at risk. It cuts off all cash
  assistance to families who cannot meet the work requirements prior to requesting aid. We
  would suggest that the State provide for these families with other funds and services, as well
  as actively advocate for the federal government to change its policy.

• Pay-After-Performance:

- 1) Places those children who are being raised in stable, two-parent families at risk by not providing them with benefits and services to keep them safe and healthy.
- 2) Is anti-marriage. It teaches children that you are better off single than married, if you are poor.
- 3) Places families in no-win situations. By denying them supportive services such as employment, quality child care, and transportation, we are dooming them to failure and further placing these children at risk of poor health, homelessness, and even abuse and neglect.
- 4) Deters clients' ability to maintain themselves, in terms of transportation, child care, and general support during the day-to-day operations.
- 5) Does not allow "good cause" for not meeting hours required. A woman could have worked 139 hours in a month and have missed an hour of work to care for a sick child and have all benefits and services denied. It is not wise to force families to make bad choices about child care and illnesses in order to receive their Work First assistance checks. Adjust this rule to better support our families who are working hard to become self-sufficient.

#### **ELECTING COUNTIES**

# **Recommendations:**

- Include all counties that submitted an Electing county plan.
- Entire Electing county plans should be included in the State Plan; the summary in the State Plan does not capture all of the uniqueness of the Electing county plans.
- Change the approval date for Electing county plans and the State Plan to January 1999. The process of county plan development has been rushed. By January 1999, more thorough and sensible county plans can be designed.
- Use the recommendations from the Human Services Task Force, many of which were not thoroughly addressed in the Plan. Many of the Task Force recommendations dealt with underlying self-sufficiency issues, and can be addressed in the use of TANF funds, should we choose to do so.
- No more than 15.5% of the caseload should be approved as Electing counties.
- There should be uniform standards for benefits, eligibility and an appeals process to protect the rights of needy families whether they're in Electing of Standard counties. North Carolina is the first state to allow counties to select whether they will follow standards set by the State or pilot total control over Work First Programs.
- Adhere to the welfare principles and Electing county suggestions raised in the April 1998 position paper of the Covenant With NC's Children.

#### Concerns:

In Randolph county the public was not adequately informed of its right to submit comments
to the county plan, and little effort was made to collect or respond to public comment.
Randolph County's plan contains overly harsh sanction periods; the Mutual Responsibility
Agreement combines two parts into one which is not reasonable, and little commitment is
made to transportation services.

# **Support:**

• For not recommending counties with unconstitutional provisions -- the exclusion of Electing Counties requiring mandatory drug testing and residency requirements.

#### CHILD WELL-BEING

#### **Recommendations:**

- Include the critical elements of child well-being developed by Dr. Thelma Harms, University of North Carolina, Chapel Hill; they can be monitored by case workers or case managers, and be included in the Mutual Responsibility Agreement.
- Ensure that all Work First children will be evaluated for participation in Smart Start, and make that evaluation part of the employability plan.
- Measure Work First's success by employment, wages, and child well-being.
- Establish mechanisms to monitor and evaluate Work First's impact on child well-being and the number of families attaining self-sufficiency which are critical to determine Work First's success.
- Establish a definition of child well-being that measures the factors all children need to grow optimally, and to develop into adulthood as citizens contributing to their own support and the support of the community. Child well-being should be given a higher priority and should be one of the top goals of the program after moving families to self-sufficiency.

## Concerns:

- Child well-being is listed as a Work First goal, but is listed last and is not very well defined.
- Based on the work expectations of income maintenance workers, the situation in which they
  are interacting with the family, and the qualifications as specified in the state personnel
  system, opposition expressed to case workers being responsible for recognizing and reporting
  child abuse, based on contact with the child and parent during the application and review
  processes.

#### **GENERAL COMMENTS**

#### **Recommendations:**

- Reflect a thorough analysis of the increase in Food Stamp use that accompanies the decrease in Work First cases in our larger urban counties.
- Note the association between low literacy rates and prospects for economic self-sufficiency among North Carolina's welfare population.
- Provide a comprehensive analysis of the acknowledgment of the relationship between welfare dependency and the complex racial factors that contribute to poverty in Eastern North Carolina counties.
- Allow counties to establish case management positions to work with Work First recipients
  after they have left Work First, to provide follow-up counseling in order to reduce recidivism.
- Look carefully at the 20% exemption criteria, and calculate it based on the number of cases at the beginning of the Work First initiative.
- The Plan should promote marriage and married couples instead of rewarding single parent families and penalizing two-parent families.
- Regarding county transfers and the proposal requiring counties to set up and transfer
  Medicaid-only cases for Work First recipients who move to another county, recipients should
  be advised to apply for assistance in the new county of residence as they are in the Food
  Stamp Program. However, if we are required to transfer Medicaid cases, we would support
  the transfer of the Work First case. With respect to transfers of the case record, counties

- should share all information regarding recipients who move, however, procedures for the record transfers should be simplified.
- Emphasize hiring qualified professionals to work with Work First families. This would make the State more likely to achieve its goals. Social Workers should be professionally educated BSWs of MSWs who have the education to understand the barriers facing these families and the skills to help families achieve self-sufficiency.
- Establish a living wage in lieu of the minimum wage
- Require all county plans to provide at least a 30-day review and comment period.
- Provide more training and guidance to social services workers as they seek to implement welfare reform.
- The State and legislature should move deliberately, as has been done by the NC Division of Medical Assistance (DMA) in allowing HMOs into Medicaid. Checks and balances must be put in place to ensure that taxpayer funds are used in the best and most responsible way to protect citizens from abuse.
- Work First should be county specific as issues such as child care and medical care are different from county to county.
- The Wilson County Board of Social Services requests amendments to the State Plan which would allow flexibility to implement all provisions within Wilson County's Work First Plan that are in compliance with Federal laws and regulations.
- Clarify whether counties could use a portion of the savings from reduced caseloads to purchase health insurance for these working adults. This will help us to ensure that those who go to work can stay at work.

# Reinvestment of TANF funds

- Address how cost savings will be used to benefit the Work First "hard-to-serve" population in becoming self-sufficient.
- Develop a TANF Reinvestment Plan that transfers savings from reduction in the Work First caseload to County Work First Block Grants.
- Reinvest TANF at the State level to address the many unmet needs for helping families gain self-sufficiency; do not displace or supplant current State funding for supportive services with savings from caseload reductions. State level reinvestment should include:
  - 1. Child Day Care: The current reinvestment plan calls for a large portion of savings to go to child day care. This is a critical piece of the puzzle in helping families go to and stay at work. We recommend this reinvestment in child day care subsidies with 5% to help offset administration at the local level.
  - 2. CPS, Foster Care, and other child welfare needs: Funding for child welfare has traditionally been funded, in large part, by AFDC-EA. We need to continue to watch for the impact of case termination on children and the child welfare system. Reinvestments in child welfare are an investment in our children most at-risk of abuse, neglect, poor health, poor school performance, juvenile delinquency, out of wedlock pregnancies, and future welfare dependency.
  - 3. Emergency Assistance Cash Payments: Current funding is inadequate and only available during a portion of the year. This funding could help many families to avoid welfare dependency by meeting emergency, one-time needs.
  - 4. Transfers to SSBG: Up to 10% of TANF funds can be transferred to the Social Services Block Grant under federal law. Such transfers can be made at the State or

- County levels to offset substantial cuts that counties have experienced in recent years. No provision is made for this in the current plan.
- 5. Financial incentives for counties: A financial incentive to counties could stimulate greater outcomes for families. Such incentives could include matching funds for new initiative, high rate of placement in good paying jobs, etc. but not judged on caseload decline.
- 6. Clarify whether counties could use a portion of the savings from reduced caseloads to purchase health insurance for these working adults. This will help us to ensure that those who go to work can stay at work. The State Plan benefits calculation causes people to lose their TANF payments sooner by using smaller disregards, which also accelerates the rise in the need for Transitional Medicaid. The adults with very low incomes will face serious health insurance problems before their finances can cope with that need (we assume the new Children's Health Insurance Program will provide coverage for the children of these families). There has been no support for longer Transitional Medicaid.

#### **Concerns:**

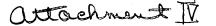
- The Plan does not credit the North Carolina economy with caseload reductions and acknowledge the interaction between welfare reform and larger economic issues.
- The needs of people with disabilities are not adequately being met.
- The Plan is too narrow in focus and does not account for the range of activities that must be undertaken to truly help North Carolinians achieve a higher level of self-sufficiency, and in the long run, improve their economic well being.
- The Plan does not provide "safety nets" for the recipients who have not yet been placed or adequately trained for employment, and therefore, are not self-sufficient.
- Work First participants will not be able to save because you raised the income level for child care, because they are still working at/or below the poverty level income.

#### **Biometrics:**

- The biometrics imaging requirement would not save state or local dollars in TANF or Food Stamps since the client benefits in both are 100% federal funds. The concern with consumer fraud rather than provider fraud, where the largest amount is in the Medicaid program, is misplaced concern for public dollars.
- Opposition to biometric imaging expressed for reasons regarding potential harm to children and families, functioning like an unfunded mandate, and lack of cost-effectiveness.

# **Support:**

- For the many creative initiatives to assist families who face work requirements and benefit deadlines: transportation and child care funding, case management with future planning, community collaborations for families.
- For the State's 45-day public comment period on the draft State Work First Plan.



# WORK FIRST STANDARD PROGRAM SUMMARY OF ELIGIBILITY PROVISIONS

All counties have significant flexibility in designing the employment/services components of their Work First Programs. This summary does not include those components. Following is a summary of the *eligibility* issues/provisions for Standard Counties.

PROVISION	DESCRIPTION		
Age of children	Age 17 or younger (emancipated minors are considered adults and treated as such for Work First).		
SSI Recipients	Children and adults who receive SSI are not included as recipients in the Work First case and SSI is not counted as income. If there is only one child for whom ar application would be made and that child receives.		
Who Can Apply and Be Included	<ul> <li>Parents, including biological, adoptive, or stepparents, applying for a child must be included in the Work First Family Assistance case.</li> <li>If both biological parents and adoptive parents are living in the same residence</li> </ul>		
	with a child, the adoptive parents must apply and be included, but the biological parents may not.		
	<ul> <li>Children who receive Foster Care Assistance and Adoption Assistance are not included as recipients.</li> <li>Certain relatives, or a person with legal custody or guardianship, may apply for</li> </ul>		
	assistance for a child but may not be included in the payment. These cases are considered child-only cases.		
	The following relatives qualify to apply for a child: a blood or half blood relative or adoptive relative limited to: brother, sister, grandparent, greatgrandparent, great-grandparent, uncle or aunt, great-uncle or aunt, great-great-uncle or aunt, nephew, niece, first cousin, stepbrother, stepsister; and spouses of anyone listed above even after the marriage has been terminated by		
	death or divorce.		
Family Cap	A family's Work First Family Assistance check will not increase when a child is born 10 or more months after the family begins receiving assistance.		
Two-Year Time	Families who receive intensive employment services through counties' Work First		
Limit	Program are limited to 24 cumulative months of cash assistance unless an extension is granted. Families may re-apply for Work First cash assistance after being off assistance for 36 months.		
Assets	Assets that can be readily converted to cash will be counted toward a \$3,000 asset limit. "Readily converted" means the asset can be converted to cash in 5 working days.		
	<ul> <li>One vehicle per adult is excluded. The equity value in other vehicles is counted.</li> </ul>		
Countable Income	<ul> <li>All income of Work First recipients is counted, except the earnings of children, income of SSI recipients, Foster Care Assistance, Adoption Assistance, and the Earned Income Tax Credit, unless an income type is excluded by other law.</li> </ul>		
	Countable income of all family members included in the case is counted.  Income of parents who are excluded from the case is counted as if they are included. No income of SSI individuals is counted.		
	For unearned income, the actual amount received is the amount counted in calculation of the payment		

PROVISION	DESCRIPTION
Calculation of Earnings	<ul> <li>For the first three months each individual has earnings, the income is disregarded in full as a one-time only job bonus for employment that is expected to be at least 20 hours per week and expected to be permanent.</li> <li>After three months, 55% of gross monthly earnings is excluded from consideration, for as long as the individual is a Work First participant.</li> </ul>
Calculation of Payment	<ul> <li>\$90 deduction and \$30 and 1/3 deduction eliminated.</li> <li>The Family Assistance monthly payment is the difference between the total countable income and the <i>payment</i> standard. (Need Standard and 185% eliminated in the calculation.)</li> <li>For adults who would otherwise be required to be included in the payment but who are ineligible, income is counted as if they were included in the payment (except SSI).</li> <li>For the month of application, payments are prorated from the date of application with the date of application being day one. Otherwise, payments</li> </ul>
Minimum Payment	are made for the full month.  A family remains eligible as long as the result of the payment calculation is twenty-five dollars (\$25.00) or more (payments will not be made for less than twenty-five dollars).
UI	If an adult who is monetarily eligible for UI fails to apply by the deadline established by the county or the adult refuses to apply, the family's application is denied.
Lump Sums	Proceeds from non-recurring lump sum payments are counted as income the month of receipt and an asset beginning the month after the month of receipt.
Quarterly Reporting	Families with income will receive quarterly reports enabling them to report income and other information. Failure to submit a timely quarterly report results in termination of Work First. The quarterly report process will be defined in the Work First Manual
Reporting Changes	All changes, including changes in income, must be reported within 10 calendar days of the date the change occurs. All changes must be process by the county within 30 calendar days.
Reviews	Reviews encouraged at least every three months. Families that do not participate in or allow the county to complete the periodic review will lose their Work First cash assistance for at least one month. The family may reapply after one month's ineligibility as long as eligibility is re-established after the month of ineligibility. Eligibility must be reviewed at a minimum every 12 months.
Child Only Cases	To be reviewed initially within six months of the date of application. This is to evaluate the child's living arrangement and whether a more permanent or suitable placement is available, whether placement with the child's parent is possible or appropriate, and to gather detailed information about the child's parents to facilitate location. The county department of social services determines what staff in the agency conducts this review. If the local department of social services determines and documents that a more suitable living arrangement is needed, the family will not receive Work First Family Assistance and the county department will help find a more suitable placement for the child. After this initial six month review, eligibility for child-only cases will be reviewed at a minimum every 12 months. Cases with unearned income will be subject to reporting requirements as described in the Work First Manual.

PROVISION	DESCRIPTION		
Sanctions	Parents or caretakers who, without good cause, do not cooperate with child support enforcement, will have their Work First payment reduced by 25% until they cooperate.  Once approved a family whose parent refused to sign Part II of the MPA (or		
	• Once approved, a family whose parent refused to sign Part II of the MRA (or sign an amended MRA depending on the form's design) is not eligible for at least one month. Benefits may not be restored until the parent signs Part II (or resigns the MRA depending on the form's design).		
	<ul> <li>Parents or caretakers who fail, without good cause, to participate in work o work activities, comply with the terms and conditions of their Mutual</li> </ul>		
	Responsibility Agreement, quit a job without good cause, are fired from a job with cause, refuse a bona fide offer of employment, fail to follow-up on a job referral, sanctions will result as follows:		
	First Sanction: 25% reduction for three months		
	Second and Subsequent Sanction: Pay-after-Performance for a minimum		
	of 3 months; If compliance has not been reached at the end of 3 months,		
	the case will be terminated. Families are notified at the time Pay-after-		
	Performance begins that if they do not comply for 3 consecutive months, their Work First case will be terminated.		
	<ul> <li>Families are subject to being sanctioned for non-cooperation with child sup and non-compliance with other program requirements simultaneously.</li> </ul>		
Pay-After-	A two-parent family is not eligible for Work First Family Assistance (or benefits		
Performance	defined as assistance under federal regulations) during any month in which the		
	adult does not participate in 35/55 hours per week in approved activities. Two-		
	parent families will receive cash assistance after meeting their work requirement.		
	Families that fail to comply for three consecutive months find their Work First case terminated.		
Diversion Assistance	If a family begins receiving Work First Family Assistance at a later date, the		
	Benefit Diversion does not have to be repaid.		

attachment. D

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# ELECTING COUNTY WORK FIRST PLANS SUMMARY OF PROVISIONS THAT DIFFER FROM STANDARD PLAN

Both standard and electing counties have significant flexibility in designing the employment and services components of their Work First Programs to satisfy local needs. The additional flexibility for electing counties is seen in how they choose to define their eligibility criteria and benefit levels for Work First. Therefore, employment/services provisions that electing counties may have described in their plans that were consistent with the Standard Plan are not included here. In addition, we have only shown the provisions for each electing county that are different from the Standard Plan.

PROVISION	DESCRIPTION	
	ALAMANCE	
SSI Recipients	Counting SSI after considering the SSI recipient's needs.	
Who Can Apply and Be	Kinship limited to mother, father, stepmother, stepfather, grandparents, aunt, uncle, and	
Included in the Case	first cousin. Only parents can be included in assistance unit.	
Time Limit	Twenty-four month lifetime.	
Assets	Counting the reserve of SSI recipients.	
Countable Income	Count all income except Earned Income Tax Credit and child's earned income.	
Calculation of Earnings	New benefit levels and payment calculation method. See below.	
Calculation of Payment	To determine the benefit:	
	Gross monthly income (earned and unearned)	
	- Child care expenses (up to \$200 per child)	
	- Child support paid	
	Applied Income (Use new benefit chart to determine cash payment)	
Sanctions	Specific sanctions including case termination for third sanction.	
Job Quit Penalty	Add 1, 2, or 3 months to 24-month time clock if client who received retention bonus	
	(defined in employment component) returns to public assistance without good cause.	
	Number of months added is based on the amount of the bonus received.	
Child Support	Prior to the application approval, applicant must cooperate with Child Support	
	Enforcement unless good cause exists. Once an ongoing case, failure to cooperate results	
	in a sanction.	
	CASWELL	
SSI Recipients	Counting SSI, after considering the SSI recipient's needs.	
Who Can Apply and Be	Only parents (biological, adoptive, and step parents) may be included in the payment, but	
Included in the Case	certain relatives may apply on behalf of a needy child (these will be child-only cases).	
Time Limit	Benefits limited to maximum of 20 months cumulative, then family will be ineligible for	
	36 months, unless the Governing Board grants an extension for Good Cause.	
	The 20 month time limit does not apply to child only cases.	
Assets	Assets above \$2,000 will be counted in eligibility determination, with exclusion for a	
	vehicle needed for employment at a maximum value of \$5,000 (tax value – lien). For two	
	parent families, two vehicles with maximum value of \$5,000 can be excluded.	
	Count reserve of SSI recipients.	
Countable Income	All income is counted, except earnings of children, Foster Care Assistance, Adoption	
	Assistance, and the Earned Income Tax Credit, unless an income type is excluded by	
	other law.	
Calculation of Earnings	Income disregard in full for the first month of employment – more than one time	
	allowed.	

Standard of Need and Maximum Payment amounts are reduced 5% from the current amounts. All income, with the exception of EITC, Work-Study (amount above what is needed for tuition, books, uniforms, and supplies) and any other income not prohibited by law will be counted. SSI will be an income source to the budget unit after the recipient's needs are counted.    Cooperation with Child   Family must cooperate with Child Support to be eligible, unless applicant has good cause.   Specific sanctions that include payment reductions and eventual 12 month period of incligibility for repeated noncompliance.   Penalties for Ending Jobs   Penalties for refusal to accept employment offer prior to approval of their application.   Repeated noncompliance results in incligibility for 12 months.   Penalties for refusal to accept employment offer prior to approval of their application.   Repeated noncompliance results in incligibility for 12 months.   Penalties for refusal to accept employment offer prior to approval of their application.   Repeated noncompliance results in incligibility for 12 months.   In a single parent family, the parent of a child less than 3 months old is exempt from the work requirement.   Clients who provide documentation of the inability to meet the work requirements of the Work Requirement   Penalties for the deferral still exist. Reasons for short-term deferral include   Disabled or incapacitated every 3 months to determine of the conditions that led to the deferral still exist. Reasons for short-term deferral include   Disabled or incapacitated individuals   Individuals under age 18   Individuals ander age 18   Individuals ander age 18   Individuals who are unable to participate because funds are not available for child care or reasonable transportation cannot be located or provided.   If client later receives assistance, then the number of months for which the client received benefits will be added to the time clock.   When licensed or registered child care is not available, but child care funds are	PROVISION	. DESCRIPTION	
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Sanctions  Specific sanctions that include payment reductions and eventual 12 month period of ineligibility for repeated noncompliance.  Penalties for Ending Jobs  Penalties for refusal to accept employment offer prior to approval of their application. Repeated noncompliance results in ineligibility for 12 months.  Pay-After-Performance  One parent in all two-parent households must meet the federal work requirement before payment is issued. If the two-parent household is not in compliance at the end of 2 months, the case will be terminated, and family cannot reapply for 3 months.  Work Exemption  Deferrals From Meeting the Work Requirement  Clients who provide documentation of the inability to meet the work requirements for certain reasons may be temporarily excused for a period of three months. The client status will be re-evaluated every 3 months to determine of the conditions that led to the deferral still exist. Reasons for short-term deferral include  Disabled or incapacitated individuals  Individuals needed in the home to care for a disabled or incapacitated person  Individuals who are unable to participate because funds are not available for child care or reasonable transportation cannot be located or provided.  Diversion Assistance  If client later receives assistance, then the number of months for which the client received benefits will be added to the time clock.  Child Care  When licensed or registered child care is not available, but child care funds are, the parent is responsible for locating a non-registered provider who can provide care for the child to meet the work requirement. Failure to do so within 30 days, without good caus would lead to a sanction. Non-registered providers who are paid with public funds mus meet the requirements of the Division of Child Development for non-registered care.  CHEROKEE  SSI Recipients  Counting SSI recipient's SSI and other income.  No relatives other than parents (not stepparents) can be included in the assistance unit with the child.  "Three strikes you're	-	Family must cooperate with Child Support to be eligible, unless applicant has good	
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		Subtract \$90 work-related deduction from gross monthly earnings. That net income is	
		used to determine payment amount.	
CHATHAM			
All provisions follow Standard policy.	with the control of t	7 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
CALDWELL (Considering amendments to their plan at this time.)	CAI		
Who Can Apply and Be There is no kinship requirement. A child has to live with a responsible adult as	Man 2 (7 - 1 - 2 (8 ) 2 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -		
		determined by DSS. Only natural and adoptive parents and stepparents can be included	
in the cases. All other caretakers are payee only.			

PROVISION	DESCRIPTION	
Sanctions	There are no financial sanctions. There will be a three month eligibility period to try to	
	work with the family. Then if they do not cooperate, the case is terminated at the end of	
	the third month. The family cannot reapply for assistance for three full months. They	
	cannot reapply until the fourth month following termination. The same penalty applies	
	when a recipient quits two jobs without good cause.	
Child Support Referral	Before a Work First application is processed, applicant must meet with Child Support	
• •	Enforcement. Failure to do so will result in denial of the Work First application.	
Diversion Assistance	Diversion allowed, but if families subsequently receive assistance, they must repay the	
	cash portion of the Diversion Assistance.	
Applications	If after application, client does not provide necessary information within 11 days, a	
	second request is sent. Failure to respond will result in denial of the case.	
	DAVIE	
Calculation of Earnings	After 3 month 100% disregard of new earnings (like Standard Plan), total gross income	
Carculation of Earnings	with no deductions will be used to calculate the payment.	
	FORSYTH	
	All provisions follow Standard policy.	
Mark Saladi - Saladi - Saladi		
S	Sanctions include 25% reduction for three months for first offense, followed by Pay-	
Sanctions	after-Performance for 3 months, followed by termination.	
COLD		
SSI Recipients	Counting the SSI, after considering the SSI recipient's needs.	
Assets	\$3,000 limit. (Liquid assets defined as cash on hand, savings and checking (portion not	
	used to pay bills) accounts, and equity in real property not used as a home site.	
	A family is allowed up to \$10,000 fair market value in vehicles, leased or owned.	
	Anything over \$10,000 is counted toward the asset limit.	
Countable Income	All earned and unearned income is counted including SSI. Exceptions are Earned	
	Income Tax Credit, loans, grants, and scholarships.	
Calculation of Payment	Balance of earned income (after 55% disregard) + unearned income = Total income	
	Total income - Section 8 credit (amount of increased rent created by job) = Total income	
	The total income is subtracted from the payment standard. The difference is the	
	payment.	
Minimum Payment	If the payment would be \$50 or less, the case is ineligible.	
Reviews	Except for child-only cases, the eligibility of a Work First family must be reviewed every	
	three months. The caseworker will recalculate the benefits for the next three month	
	review period. Reviews are face to face	
Sanctions	Specific sanctions including \$100 first 3 months or 25% of Child Support non-	
	cooperation sanction, followed by termination for at least one month or until client is in	
	compliance.	
Job Quit Policy	When an applicant voluntarily quits a job without good cause within 30 days of the date	
	of application, the entire household will be denied Work First benefits for three months	
	(month of application and two months following). For an ongoing household, the	
	benefits are terminated for three months or until the job quit is cured (obtain another job	
	working at least 35 hours per week). Can cure the job quit penalty.	
Pay-After-Performance	Pay-after-Performance applies to all families once the family is receiving cash assistance	
	and there is a mandatory Work First Employment Services participant. Participants will	
	receive their benefits after they meet their work requirements.	
Diversion Assistance	Current policy applies, except that if a family receives assistance again, they must repay	
<u> </u>	the cash portion of Benefit Diversion.	
Fraud	The first conviction of Work First fraud will result in permanent disqualification from	
,	receiving Work First Cash Assistance.	
Applications	Applicants must register at the Employment Security Office and seek child support	
• •	services before the application can be completed.	

PROVISION	DESCRIPTION
	LINCOLN
Who Can Apply and Be	Same as Standard Policy except that in cases where the minor child is not living with a
Included in the Case	parent, the director or his designee must determine that the living arrangement is in the
	best interest of the child before cash assistance can be authorized.
Sanctions .	Specific sanctions for non-compliance with MRA include 50% payment reduction for first time then for subsequent offenses, 3, 6, and 12 months of ineligibility.
tang samula sa Ca	MACON
SSI Recipients	
	Counting the SSI, after considering the SSI recipient's needs.
Who Can Apply and Be Included	Kinship is limited to parents (including natural, legal, and adoptive), siblings (including
Assets	half-siblings), grandparents, uncles, aunts, and stepparents.
Assets	\$2,000 asset limit. All resources that are available within 5 days or can be made
	available, will count. Exclude up to \$4,650 fair market value of one vehicle (including
	leased vehicles) per household. Fair market value of all other vehicles will count toward
	\$2,000 asset limit. Count SSI recipient's assets.
Countable Income	Count all income available to the household including SSI income
Calculation of Earnings	<ul> <li>Use Standard 100% job bonus, then deduct the \$90 work-related expense and child care to arrive at the net earnings.</li> </ul>
Calculation of Payment	Use current need standard.
Sanctions	Specific sanctions for non-compliance are: 1 <sup>st</sup> sanction is \$75 check reduction;
	subsequent sanctions result in 3 and 6 month periods of ineligibility. Applicants moving
	into Macon County are subject to sanctions received in a previous state or county.
Job Quit Penalty	Refusing or quitting a job without good cause will result in termination for three months.
	After this, the next sanction is applied which is 6 months ineligibility.
Applications	Applications will be denied on the 30 <sup>th</sup> day if the client has not provided information to
	determine eligibility. Applicant must seek employment for 2 weeks during application process.
A CONTRACTOR OF THE CONTRACTOR	MCDOWELL
SSI Recipients	Counting the SSI, after considering the SSI recipient's needs.
Assets	Count assets of SSI recipient.
	NEW HANOVER
Sanctions	Specific sanctions include 25% payment reduction for 1 <sup>st</sup> sanction; 50% reduction for 2 <sup>nd</sup> ;
	case termination for subsequent offenses.
	POLK
	All provisions follow Standard policy.
	RANDOLPH
·	All provisions follow Standard policy.
Control of the Contro	RUTHERFORD
Sanctions	Specific sanctions include \$100 (or 25%) payment reductions for 1 <sup>st</sup> sanction; followed
	by "suspensions" (no payment) for 3 months for subsequent sanctions.
Job Loss Penalty	When an adult family member loses a job by either quitting or being fired due to their
200 2000 1 0114111	behavior or their actions (without good cause), the family is terminated for 6 months.
"Living with" Changes	Child who has been receiving Work First in a case where time limit has expired or a
Ziving with cominger	sanction or penalty is applied, would not be eligible as part of a different family/case
	I unless there is good cause. Also, a household would not be able to receive benefits for a
	unless there is good cause. Also, a household would not be able to receive benefits for a child just so the child could go to a certain school for the school year and return to the
	child just so the child could go to a certain school for the school year and return to the
	child just so the child could go to a certain school for the school year and return to the parent's home for the summer, unless the school is a special needs school.
	child just so the child could go to a certain school for the school year and return to the parent's home for the summer, unless the school is a special needs school.  SAMPSON
	child just so the child could go to a certain school for the school year and return to the parent's home for the summer, unless the school is a special needs school.  SAMPSON  Income of SSI recipients is included as income to the family.
SSI Recipients Who Can Apply and Be	child just so the child could go to a certain school for the school year and return to the parent's home for the summer, unless the school is a special needs school.  SAMPSON  Income of SSI recipients is included as income to the family.  Standard policy except: Other relatives that meet kinship requirement must have legal
SSI Recipients Who Can Apply and Be Included in the Case	child just so the child could go to a certain school for the school year and return to the parent's home for the summer, unless the school is a special needs school.  SAMPSON  Income of SSI recipients is included as income to the family.  Standard policy except: Other relatives that meet kinship requirement must have legal custody or guardianship to apply for children but will be included in the payment with
SSI Recipients Who Can Apply and Be	child just so the child could go to a certain school for the school year and return to the parent's home for the summer, unless the school is a special needs school.  SAMPSON  Income of SSI recipients is included as income to the family.  Standard policy except: Other relatives that meet kinship requirement must have legal

PROVISION	DESCRIPTION	
Family Cap	No teen parent exemption from the requirement.	
Countable Income	Count the income of SSI recipients and specified relatives.	
Calculation of Earnings	Standard policy on 100% job bonus; then, subtract a standard wage deduction of \$22	
	from the monthly gross earnings to get the net.	
Minimum Payment	A family remains eligible as long as the result of the payment calculation is ten dollars	
	(\$10) or more (payments will not be made for less than ten dollars).	
Reviews	A family's situation must be reassessed at least once every 12 months for families	
	receiving a Work First Family Assistance Quarterly Report and once every 6 months for	
<u> </u>	all other families.	
Child Only Cases	Child-Only cases reviewed/evaluated as they were in Dec. 1997.	
Sanctions	All sanctions are \$100 payment reductions for specific periods from 3 months to 12	
Diagram A - i - i	months	
Diversion Assistance	Current policy applies, except that if a family receives assistance again within 36 months a penalty of \$50 per month will be imposed for 12 consecutive and non-consecutive months.	
Applications	Failure of the applicant to provide all requested verification within 30 days of request	
• •	will result in a denial. Applicant will be responsible for providing any and all	
	verifications needed.	
	STOKES	
Sanctions	Specific sanctions include \$50 benefit reduction for 3 months followed by ineligibility for 3 months for entire family for 2 <sup>nd</sup> and subsequent sanctions. Failure to comply with Child Support Enforcement results in suspension of assistance for the entire family until compliance is reached.	
Job Quit Penalty	Three calendar months of ineligibility for the family for each quit. The adult may cure	
	the penalty by accepting other full time (35 hours/week)employment.	
Pay-After-Performance	Proposes to implement pay-after-performance for all parents at some point in future when automation is available.	
Applications	Applications will be denied on the 30 <sup>th</sup> day if the client has not registered with Employment Security Commission, First Stop or fails to cooperate with the Child Support Program.	
	SURRY	
SSI Recipients	Counting the SSI, after considering the SSI recipient's needs.	
Assets	If there is a 16 year old in the home who is working, a vehicle is also excluded for him.  Count assets of SSI recipient.	
Minimum Payment	A family remains eligible as long as the result of the payment calculation is ten dollars (\$10) or more (payments will not be made for less than ten dollars).	
Reporting Changes	Income and asset changes are not reacted to during the 3 month review period.	
Reviews	Except for child-only cases, the eligibility must be reviewed every three months. No income changes are reacted to during the three month review period.	
Sanctions	Specific sanctions include suspensions of cash assistance (no payment) until compliance. Failure to cooperate with Child Support will result in termination of the Work First Cash Assistance. The adult in the case cannot get Medicaid unless pregnant and assistance will not be continued after cooperation until each adult is either working full-time, in work experience or in community service full-time.	
Job Quit Penalty	Refusal of a job without good cause will result ineligibility for three months.	
Pay-After-Performance	For two parent families, pay-after-performance will start 30 days after receipt of first check. (The second check is pay-after-performance)  For single parent families, pay-after-performance will begin 12 weeks after receiving Work First Cash Assistance. (Will get 3 checks then the fourth month is pay-after-performance.	
Diversion Assistance	Current policy applies, except that if a family receives assistance again within 36 months, will either have to pay back the Benefit Diversion at a rate of \$50 per month or have 3 months of their 24 months and 5 year time clocks activated.	

PROVISION	DESCRIPTION	
Applications	Failure of the applicant to provide all requested verification within 30 days of request	
	will result in a denial. Applicant will be responsible for providing any and all	
	verifications needed.	
	TRANSYLVANIA	
Age of children	The age limit will be 18 unless the child is a full-time high school student on his 18th	
	birthday, in which case the child is eligible as long as he is a full-time high school	
	student until graduation or his 19th birthday, whichever comes first.	
Assets Asset limit is \$3,000. Exclude up to \$5,000 of the value of one car; ren		
	toward the \$3,000 limit.	
Countable Income	If a full-time student high school student is working more than 20 hours per week,	
	income over the first 20 hours is counted.	
Sanctions	Specific sanctions include \$100 (or 25%) payment reduction for 1 <sup>st</sup> sanction, followed by	
	2 month period of ineligibility for each subsequent sanction.	
Diversion Assistance	If a family receives assistance again within 36 months, it must be repaid.	
Exemption	One parent will be exempt from the work requirement until their child is six months old.	
A Street And Andrew	WILKES	
SSI Recipients	Counting the SSI, after considering the SSI recipient's needs.	
Sanctions	Specific sanctions include \$100 (or 25%) payment reduction followed by 3 or 12 months	
	of ineligibility for subsequent sanctions.	
Child Support Referral	Before a Work First application can be processed, the applicant must meet with Child	
	Support Enforcement. Failure to do so will result in denial of the Work First application.	

# **VISITOR REGISTRATION SHEET**

# **PUBLIC HEALTH**

Name of Committee

, 1999 Date 3-/1-99

# VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK -

<u>NAME</u>	FIRM OR AGENCY AND ADDRESS
Lathy Sauryer	Commerce
Charlene Reiss	N.C. Center for Nonprofits
Mary Cappe	16,0. Ilan Fox
Shirley McClain	nc Hunger Network
Brenda Williamson	DET/Commerce
Can Smill	DHH3/DSS
them see	DH#S/PSS
Ment-far new	DHHS DCD
Jeggy Ball	11 / 11
faul samans	NC Social Services Consortium
Sharneretanine	2100 12:1
Soria Schwidt	NCJC DC
Sollon of human	NCOC 13C
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	<b>.</b>

### MINUTES HOUSE WELFARE REFORM COMMITTEE MARCH 18, 1999 – 12:00 NOON

The House Welfare Reform Committee met on Thursday, March 18, 1999 at 12:00 noon in Room 415 of the Legislative Office Building. Five House Members were present as follows: Representatives Stan Fox, Alma Adams, Martha Alexander, Trudi Walend and Larry Womble.

Representative Stan Fox, House Chair, called the meeting to order. He introduced Ms. Stephanie Fanjul, Director, Division of Child Development, Department of Health and Human Services and turned meeting over to her. Ms. Fanjul thanked the committee for the opportunity to talk about childcare as it relates to welfare reform because they cannot be separated. A presentation was made before Appropriations/Health and Human Services this morning, but it concluded before Mary Ellen Sylvester, Fiscal Research, could do a review of the subsidy system. Present at that meeting were Repesentatives Adams, Alexander and Walend. For the benefit of all members, she shared Eligibility Criteria for Division of Child Development (Attachment 1). In some states child care programs that serve low-income families on welfare or not were operated in some cases completely separate from rest of system. In NC we have made efforts over many years to allow parents to use a voucher to take to childcare program of their choice. Parents have a choice. We have had a cooperative childcare provider community, and over 85 percent of childcare centers in NC will accept a voucher from the state. Some families are presently on welfare and some are not. Rules come through Social Services Commission, and it establishes eligibility standards for families receiving childcare. Most people receiving childcare subsidy are presently working.

Chair Fox asked about different fees for childcare and if the voucher covers the parent's choice of childcare regardless of cost. Ms. Fanjul stated NC has established the family income of less than 75 percent of state median income, adjusted for family size. Fees are based on what parents make. We know childcare industry is dependent upon local labor costs. Parents pay a part of their share for the care. We establish what is a fair rate to reimburse childcare centers, and families pay between seven to nine percent of gross countable monthly income adjusted for family size. Payment rates are complicated and based on the market in any one community. Average cost to state is \$238 per month based on February 1999 numbers. The reason this is lower than what true cost is is because it is a big average.

Ms. Fanjul discussed subsidy policy and quality, and this is where the massive overlap between welfare reform and folks becoming self-sufficient in the childcare subsidy system. Our childcare system is designed to keep people moving toward self-sufficiency. Since Work First has been in place the Division of Social Services and all Departments of Social Services in the state have been incredibly successful at diverting folks from coming onto welfare. Childcare and other support services such as Medicaid

or food stamps have kept some people off welfare. We have seen a massive reduction in welfare because there is no incentive to go on welfare to get childcare.

Representative Adams asked what is the average income of people who need childcare? Ms. Fanjul introduced B. J. Farmer, Legislative Liaison for the Child Development Division, who passed out Division's Childcare Subsidy (Attachment 2). In November 1998, 87 percent of families receiving subsidies earned less than \$20,000 per year. They are extremely poor, but they are not all on welfare. In 1996 childcare was an entitlement for folks on welfare, but it is not an entitlement now. We are using childcare much more productively as a diversion from welfare and as an incentive to be self-sufficient and to work to support the family. Representative Adams again expressed concern about low annual income for families and the real need for help.

Ms. Fanjul reviewed chart of Children on the Subsidized Childcare Waiting List included in Attachment 2. In Mecklenburg County for example over 5,000 children were on waiting list in October 1998, which is the worst ever, however, that was while General Assembly was still in Session, and counties did not have a budget. Counties did not know how money they would receive. After budget was approved, Mecklenburg moved children out, and now the county has about 2,000 children not being served. Representative Adams asked about Guilford County starting with 59 on waiting list in July 1998 and ending with 883 children in January 1999. Ms. Fanjul called attention to the few in number Work First children noted on the list. In January 1999 there are 171 Work First children waiting and 11,245 working not on welfare children waiting. We probably have enough money now to serve many of the children that are waiting. System is cumbersome, and it takes time once we have money to get the children, reaffirm their eligibility, and give them their vouchers. We know there are folks who do not come into the system for various reasons. In Smart Start counties when they invest in waiting lists, numbers of children go up. There are close to 291,000 children in the state who are eligible for care because their parents earn less than 75 percent of the state median income. We are serving 201,000 children now. Representative Alexander asked what could we do to help take care of these needs. Ms. Fanjul said dollars used to pay for subsidies come from Child Development Fund, a federal fund, and a transfer from TANF (Temporary Assistance to Needy Families) and Smart Start money. Smart Start is required to spend 30 percent of its allocation for subsidized childcare. Last year Smart Start spent about 42 percent on subsidies. As Smart Start grows that is one way we get closer to missing children.

Representative Walend stated on chart there are a number of counties who have no numbers, and Ms. Fanjul said that means children are not waiting. Some counties do not have services and shift and weekend childcare does create problems. The childcare industry is a private industry. Chair Fox asked who determines whether and how much TANF funds can be taken out for childcare. Ms. Fanjul said the General Assembly makes this determination, and it allocated last year almost \$67,000,000 to be moved into the Childcare Block Grant Fund. This is done once a year. It is not a reoccurring appropriation. Representative Adams asked what is being done when monies run out for childcare. Ms. Fanjul said we look at spending patterns in each county and have the

authority to be able to spread money differently. If a county has no one waiting and no need at the moment, some of its money can be assigned to another county. We have the opportunity to persuade Smart Start counties to invest more dollars in their waiting lists in order to provide services. Guilford County has been very successful in working together and serving the maximum number of children. Representative Walend was recognized, and she stated she has served on the Transylvania County Partnership Board and the Work First Planning Board, and the waiting list in her county is partly due to space and weekend and evening shifts. We need to work to find a way to provide that type of care. Ms. Fanjul said the subsidy dollars can go to folks who are working on weekends. It is not restricted to 9:00 to 5:00 five days a week. As folks earn more money they pay a higher fee for childcare. Being able to use childcare as an incentive to stay off welfare has been an extraordinarily effective strategy. Representative Adams referred to Attachment 1 and asked about fees, and Ms. Banjul explained families pay between seven and nine percent of Gross Countable Monthly Income Adjusted for Family Size.

The meeting adjourned at 12:45 PM.

Respectfully submitted,

Representative Stan Fox, Presiding Chair

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Mary Capas

### HOUSE WELFARE REFORM

### AGENDA MARCH 18, 1999 12:00 PM

**OPENING** 

**REP. STANLEY FOX** 

PRESENTATION ON CHILD CARE SUBSIDIES WITHIN WORK FIRST

STEPHANIE FANJUL DIRECTOR DIVISION OF CHILD DEVELOPMENT

# DIVISION OF CHILD DEVELOPMENT

## ELIGIBILITY CRITERIA

# Criteria for Receiving Subsidized Child Care:

Support Child Protective Services

Maintain or Seek Employment (30 Days)

Attend School\* or Job Training Activities Which Lead to Employment

Meet Developmental Needs of Child

Support Child Welfare Services

Counties Determine Their Own Priorities

<sup>\*</sup> Post-Secondary Education is Limited to Two Years

### DIVISION OF CHILD DEVELOPMENT SUBSIDIZED CHILD CARE

### Eligibility

- Family Income Less Than 75% of State Median Income, Adjusted for Family Size

- Child Protective Services (CPS)

Other Welfare Services, e.g., Foster Care

### Fees:

- Family Pays Between 7% and 9% of Gross Countable Monthly Income, Adjusted for Family Size

Fee %	%6	%6	%6	8%	- %8	%2	%2	%2	%2	%2	%2	%2
Family Size	+	2	8	4	5	9	7	8	6	10	11	12
Max. Monthly Income	\$1,449	\$1,895	\$2,341	\$2,786	\$3,232	\$3,678	\$3,762	\$3,845	\$3,929	\$4,012	\$4,096	\$4,180

- One Fee is Assessed for Subsidized Child Care, Regardless of the Number of Children in Care

- No Fees for Child Protective Services

### Parental Choice:

- Parents are Issued a Voucher and May Choose a Provider From Among Regulated Facilities Who Will Accept Public Funds for Their Services

### Program Administration:

Administered by local Departments of Social Services or, in Some Counties, by a Resource and Referral Agency

### Provider Payment Rates:

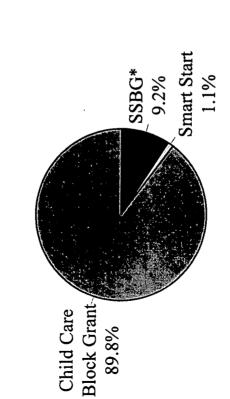
Vary By County, Age of Children, Type of Facility, Licensing Level, and Number of Children in Facility Receiving Subsidized Child Care

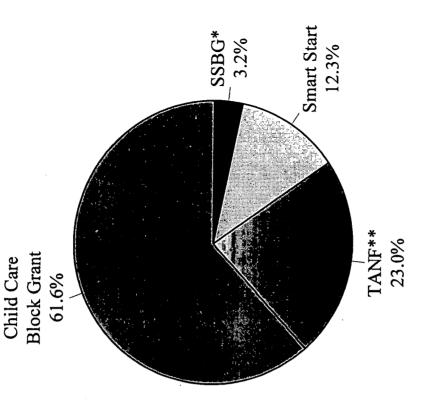
Average Cost to the State: \$238/Month per Child (February 1999)

### DIVISION OF CHILD DEVELOPMENT SUBSIDY POLICY AND QUALITY

- SUPPORTS FAMILIES' TRANSITION FROM WELFARE TO WORK
- DIVERTS FAMILIES FROM ENTERING THE WORK FIRST SYSTEM
- PROVIDES FINANCIAL INCENTIVES FOR HIGHER QUALITY CARE
- 10% Above Market Rate for AA Licensed Centers
- 50% of Market Rate for Unregistered Providers

## SOURCES OF SUBSIDY FUNDING OVER TIME DIVISION OF CHILD DEVELOPMENT





1993-94 \$134.5 M

1998-99 \$278.8 M (+107%) (State Funding is 34% of Total)

\*SSBG = Social Services Block Grant

\*\*TANF = Temporary Assistance to Needy Families Block Grant

### DIVISION OF CHILD DEVELOPMENT Child Care Subsidy

Stephanie D. Fanjul March 18, 1999

### Monthly Statistical Summary , 1999\* Division of Child Developm Febru

# Information About the Subsidized Child Care (SCC) Program

# Children Served/Expenditures/Average Costs by Type of Arrangement

		•									
		SCC Children		SCC	SCC-Work First Children	hildren	***	T	<b>Total Children</b>		
•	Children	, r	Avg. Cost Children	Children	Town out the wood	A ***	Children	Children % of Total	Van on ditamon	% of Total Avg. Cost	Avg. Cost
	Served	Expenditures	*	Served	Expenditures	Expenditures Avg. Cost	Served	Children	Expendicules	Expend.	*
Child Care Facilities	51,306	51,306 \$12,003,056	\$234	11,688	\$3,026,804	\$259	65,994	83.1%	\$15,029,859	85.4%	\$239
Family Child Care Homes	7,155	7,155 \$1,710,643	\$239	1,563	\$367,249	\$235	8,718	11.5%	\$2,077,893	11.8%	\$238
Non Licensed Homes	3,244	\$390,055	\$120	834	\$107,855	\$129	4,078	5.4%	\$497,911	2.8%	\$122
Total	61,705	61,705 \$14,103,754	\$229	14,085	4,085 \$3,501,908	\$249	06L <b>'</b> SL	100.0%	100.0% \$17,605,662	100.0%	\$232
Children Someod/Funcaditerrand/Account Clicat Nood Cotons	1:4:120g / A 230	nogo Cocta by	Cliont Noo	Cotogory							

Children Served/Expenditures/Average Costs by Client Need Category

•		•									
		SCC Children		SC	SCC-Work First Children	Children		L	Total Children		
	Children	_	Avg. Cost	Children	T	A -: A	Children	% of Total	Township and the	% of Total Avg. Cost	Avg. Cost
	Served	Expenditures	*	Served	Expenditures	Avg. C0st	Served	Children	Expendinces	Expend.	*
Seeking Employment	155	\$36,353	\$235	582	\$141,076	\$242	137	1.0%	\$177,429	1.0%	\$241
Support Employment	54,293	54,293 \$12,056,999	\$222	9,828	\$2,424,240	\$247	64,121	84.6%	\$14,481,239	82.3%	\$226
Child Protective Services	1,866	\$533,779	\$286	0	\$0	,	1,866	2.5%	\$533,779	3.0%	\$286
Post Secondary Education	2,892	\$666,556	\$230	3,130	\$757,861	\$242	6,022	7.9%	\$1,424,417	8.1%	\$237
Developmental Needs	599	\$276,849	\$462	201	\$84,914	\$422	800	1.1%	\$361,764	2.1%	\$452
Child Welfare Services	1,024	\$284,456	\$278	0	\$0	ı	1,024	1.4%	\$284,456	1.6%	\$278
High School Education	928	\$248,763	\$284	344	\$93,816	\$273	1,220	1.6%	\$342,579	1.9%	\$281
Total	61,705	61,705 \$14,103,754	\$229	14,085	83,501,908	8249	75,790	100.0%	\$17,605,662	100.0%	\$232
Children Served/Expenditures/Average Costs by Income Eligibility	ditures/Ave	rage Costs by	Income Eli	gibility Cat	y Category						

SCC Children		SCC Children			SCC-Work First Children	hildren		To	Total Children		
	Children	Parana		Avg. Cost Children	Townson distances	A Cout **	Children	% of Total	Denom ditumo	% of Total Avg. Cost	Avg. Cost
	Served	Expendinces	*	Served	Expenditures	Expenditules Avg. Cost	Served	Children	Expenditures	Expend.	**
Family Assistance				13,969	\$3,460,137	\$248	13,969	18.4%	\$3,460,137	19.7%	\$248
Employment Services				0	0\$	\$0	0	0.0%	\$0	0.0%	\$0
Teen Parent	195	\$166,415	\$297	116	\$41,771	\$360	<i>LL</i> 19	0.9%	\$208,186	1.2%	\$308
With Regard to Income	56,102	56,102 \$12,509,399					56,102	74.0%	\$12,509,399	71.1%	\$223
Without Regard to Income	2,761	\$783,370	\$284				2,761	3.6%	\$783,370	4.4%	\$284
Foster Care	2,281	\$644,570	\$283				2,281	3.0%	\$644,570	3.7%	\$283
Total	61,705	61,705 \$14,103,754	\$229	14,085	4,085 \$3,501,908	\$249	75,790	100.0%	\$17,605,662	100.0%	\$232
				,							

\* Represents payments made in February, 1999 for children served in January.

\*\* Includes part time and part month care.

Total number of children statewide on subsidized child care

waiting lists.

Children served with Smart Start funding through the DCD Reimbursement System.

Total Children

SCC-Work First Children 171

SCC Children 11,074

11,245

### Division of Child Development Monthly Statistical Summary y, 1999 Febr

# Information About Child Care Arrangements Regulated by the Division

## Regulated Child Care Arrangements by License Type

	Child Car	Child Care Centers   Family Child Care Homes	Family Child	Care Homes
	Number	Enrollment	Number	Enrollment
A License	1,963	100,827		
AA License	1,162	62,148		
Special Provisional License	8	472	3	21
Religious Sponsored Notice of Compliance	393	18,178	1	L
Provisional License	11	552		
Temporary License	292	6,802		
Family Child Care Homes			5,191	22,389
Temporary License			39	83
Probationary License	3	263	2	<i>L</i>
Other	1	4	2	01
Total	3,833	189,246	5,238	22,513

Combined Facility/Family Child Care Home Totals	Child Care Centers	Family Child Care Homes	All Regulated Arrangements	Increase/ Decrease Since Previous
Number of Regulated Arrangements	3,833	5,238	9,071	+13
Total Enrollment	189,246	22,513	211,759	+789
Number of First Shift Slots Available	261,151	38,012	299,163	+1,119

# Information About Abuse and Neglect Investigations by the Division

-17	02	15	55
Increase/ Decrease Since Previous	Total	Family: Child Care Homes	Centers

Abuse/Neglect Reports Investigated in February, 1999

### Children on the Saized Child Care Waiting List

		July-98		\\	August-98		Sep	September-98	8	ŏ	October-98		Ś	November-98	3	De	December-98	98	36	January-99	6
County	Subsid. Child Care	Work First Related SCC	Total	Subsid. Child Care	Work First Related SCC	Total	Subsid. Child	Work First Related SCC	Total	Subsid. Child F	Work First Related SCC	Total	Subsid. Child F	Work First Related SCC	Total	Subsid. Child Care	Work First Related SCC	Total	Subsid. Child Care	Work First Related SCC	Total
Alamance	276		276				73	-	73	175		175	240		240	224		224	271		271
Alexander	89	2	; 94	ļ	2	91	88	2	91	123	2	125	128	2	130	128	7	130	t	2	29
Alleghany	27		27	•		27	4		4	4		4				:		!	!		:
Anson						į	78	<u>:                                     </u>	28	28		28	8		80	93		93	118		118
Ashe				•		!	25	<u> </u> 	25	36		36	35		35	19		19	! !		:
Avery*	:	1							İ	20	2	22	24	2	26	25	2	27	31	2	33
Beaufort												<del></del>			*	!			_		-
Bertie				75		75	110	:	110	135		135	137		137	136		136	107		107
Bladen	338	61	399	376	68	444	403	89	471	435	64	499	449	59	208	470	53	523	j	49	558
Brunswick Buncombe*					;	;				:			:		:					:	:
Burke*		1	:	i !	:	:	122	9	132	194		204	265	10	275	224	10	234		:	
Cabarrus							:		<u> </u>	<del></del>	:	<del>: -</del> 	-		-	-		-	-		-
Caldwell*	,				1								-		7						
Camden			:		:																
Carteret		:	:		:				1	55		22	22		22	25		22	22		22
Caswell		-		:			<del>=</del> ,		=	35	1	43	48	=	29	18	-	19		1	
Chatham	143	:	143	152	:	153	702		- 02	8		8	143		77	7.2		12			100
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<sup>\*</sup> Subsidized child care program is fully or partially administered through a state-level contractor.

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\* Subsidized child care program is fully or partially administered through a state-level contractor.

(18) (1,329)

(4) 1,673 (2,936) (60) (2,996) (1,852) (24) (1,876) (1,311)

## Children on the Andized Child Care Waiting List

		July-98		Ā	August-98		Sep	September-98	<u>~</u>	ŏ	October-98		No	November-98	8	Ped	December-98	8		lanuary-99	٥
County	Subsid. Child Care	Work First Related SCC	Total	Subsid. Child	Work First Related SCC	Total	Subsid. Child Care	Work First Related SCC	otal	Subsid. Child Care	Work First Related SCC	Total	Subsid. Child	Work First Related SCC	otal	Subsid. Child	Work First Related SCC	Total	Subsid. Child Care	Work First Related SCC	Total
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Wayne	130	92	222	20	96	116	17	92	109	305	36	341	372	36	408	435	33	468	398	19	417
Wilkes	26		26	105	2	110	103	7	105	97		97	99	2	89	24		24	16		17
Wilson	525	<u>8</u>	543	629	17	646	655	17	672	381	15	396	421	12	433	486	12	498	571	12	583
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Florence C					• • •					:			-		•	•			_		-
UCP				<del>-</del>	'		:	:			·	<u> </u>									
Totals	11,948	194	12,142	13,174	240	13,414	15,496	277	15,773	17,173	273	17.446	14.237	213	14 450	12 385	180	12 574	11 074	474	44 245
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Prior Month	553	(3)	546	1,226	46	1,272	2,322	37	2,359	1,677	4	1,673	(2,936)	(09)	(2,996)	(1,852)	(24)	(1.876)	(1 311)	(18)	(1 229)

# Comparison of Federal Poverty Guidelines and North Carolina State Median Income (SMI) for 1996

### Annual

Family Size	Federal Poverty Guideline	150% of Poverty	185% of Poverty	200% of Poverty	NC State Median Income	75% SMI	% Federal Poverty
-	\$7,740	\$11,610	\$14,319	\$15,480	\$23,183	\$17,387	225%
2	\$10,360	\$15,540	\$19,166	\$20,720	\$30,316	\$22,737	219%
ო	\$12,980	\$19,470	\$24,013	\$25,960	\$37,449	\$28,087	216%
4	\$15,600	\$23,400	\$28,860	\$31,200	\$44,582	\$33,437	214%
വ	\$18,220	\$27,330	\$33,707	\$36,440	\$51,715	\$38,786	213%
9	\$20,840	\$31,260	\$38,554	\$41,680	\$58,848	\$44,136	212%
7	\$23,460	\$35,190	\$43,401	\$46,920	\$60,186	\$45,139	192%
8	\$26,080	\$39,120	\$48,248	\$52,160	\$61,523	\$46,142	177%

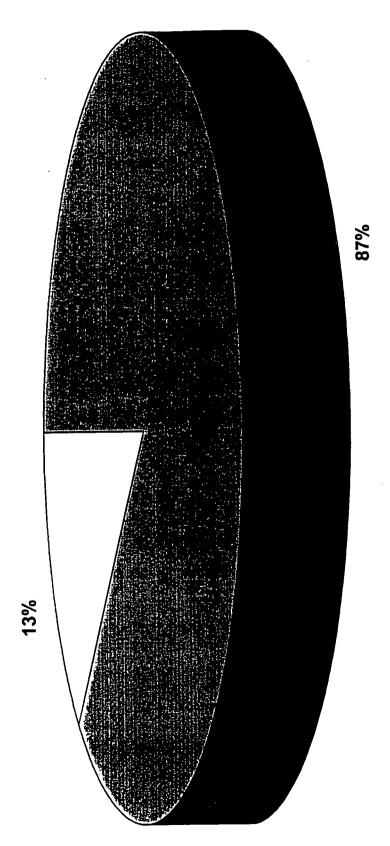
### Monthly

Family	Federal	150%	185%	200%	NC SMI	75%	% Federal
Size	Poverty						LOVEILY
_	\$645	896\$	\$1,193	\$1,290	\$1,932	\$1,449	225%
2	\$863	\$1,295	\$1,597	\$1,727	\$2,526	\$1,895	219%
က	\$1,082	\$1,623	\$2,001	\$2,163	\$3,121	\$2,341	216%
4	\$1,300	\$1,950	\$2,405	\$2,600	\$3,715	\$2,786	214%
വ	\$1,518	\$2,278	\$2,809	\$3,037	\$4,310	\$3,232	213%
9	\$1,737	\$2,605	\$3,213	\$3,473	\$4,904	\$3,678	212%
7	\$1,955	\$2,933	\$3,617	\$3,910	\$5,015	\$3,762	192%
œ	\$2,173	\$3,260	\$4,021	\$4,347	\$5,127	.\$3,845	177%

## Number of Families Served with Standized Child Care by Family Income November, 1998

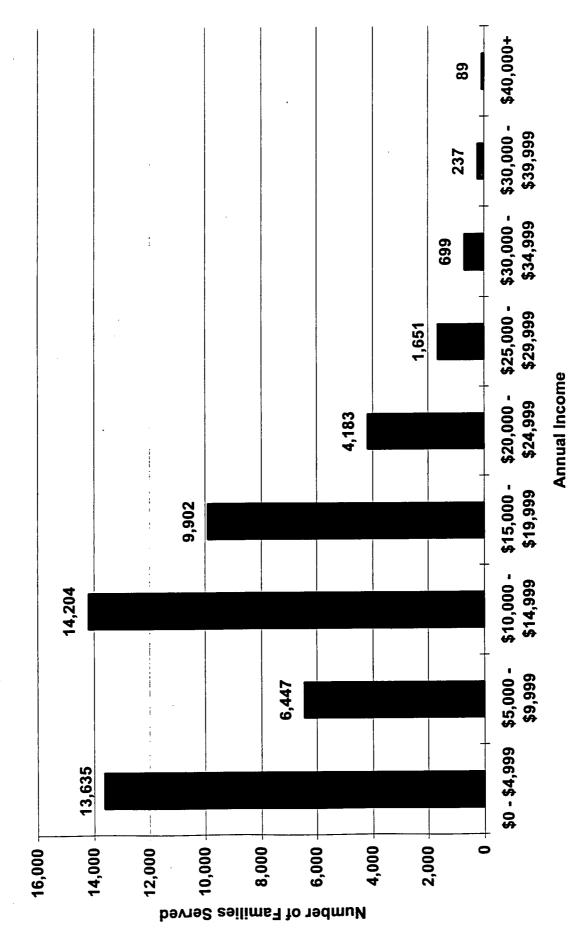
### **Annual Family Income**

**■ \$0 - \$19,999** □ \$20,000+



Based upon 51,047 families served. A total of 398 records did not have income data and were not included in this chart.

## Number of Families Served with Subsidized Child Care by Family Income November, 1998



Based upon 51,047 families served. A total of 398 records did not have income data and were not included in this chart.

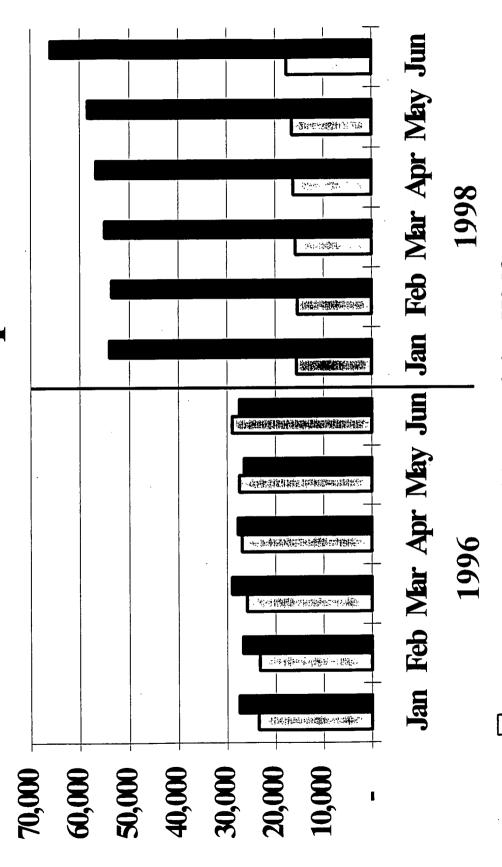
### MAXIMUM INCOME ELIGIBILITY LIMITS AND FEE PERCENTAGES FOR SUBSIDIZED CHILD CARE SERVICES

(Effective 9/1/96)

Fee Percentage		9%		80	<b>%</b>
Family Size	1	2	3	4	5
Maximum Gross Monthly Income	\$1,449	\$1,895 ·	\$2,341	\$2,786	\$3,232

Fee Percentage				7%	bill Tara		ang ang on gr epongsi bengga ang ang ang ang ang ang ang ang ang
Family Size	6	7	8	9	10	11	12
Maximum Gross Monthly Income	\$3,678	\$3,762	\$3,845	\$3,929	\$4,012	\$4,096	\$4,180

### Shift in the Subsidized Child Care Population



☐ Children in Families Receiving Welfare

Children in Families With Low Income Working Parents

### VISITOR REGISTRATION SHEET

Waltara	3-17-99
VISITORS: PLEASE SIGN BELOW AND R	ETURN TO COMMITTEE CLERK
NAME	FIRM OR AGENCY
B5 Farmer	PCB
2 Medlin	Correnant w NCs Children
3. Sharrese Kansne	D\$\$
4. Cley Shappard - Chianus	oromet Vignet 3P
6. Shill Millaci	nc Hunger Mtwerk
7. Scot Chrown	NC-NOW
8. Unal Milliamson	DET/Commerce
10. Summus	NC Equite
11. Koslyn Savitt	NC Dept. of Commerce
12. Lescus song	NCDSS
14. Pheen Beal	Gen's office
15. Klyn Hear !!	NCICDC
16. <u>Shou Samura</u>	
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<b>1</b> 9	
20	

### HOUSE WELFARE REFORM

### AGENDA MARCH 25, 1999

**OPENING** 

REP. BEVERLY EARLE

PRESENTATION:

**STARLENE SCOTT-ROBINS** 

SUBSTANCE ABUSE AND

**WORK FIRST** 

**SUMMARY OF REPORT** 

PHEON BEAL

### HOUSE WELFARE REFORM

MINUTES MARCH 25, 1999 12:00

The House Welfare Reform Committee met on Thursday, March 25, 1999, at 12:00 p.m. in Room 415 of the Legislative Office Building. The following members were present: Co-Chairs, Representative Beverly Earle and Representative Stan Fox; Representative Alma Adams, Vice Chair, Representative Martha Alexander, Trudi Walend, Larry Womble, and Rick Eddins.

### **WELCOME**

Representative Beverly Earle called the meeting to order and welcomed members, advocates, visitors, and Pages.

### **REPORT ON SUBSTANCE ABUSE**

Starlene Scott-Robin, Coordinator for the Division of Mental Health Developmental Disabilities and Substance Abuse Service, and Manager of the Substance Abuse Section for Work First, gave the presentation. The service is offered from the Division of Mental Health, and the Division of Social Services. It was developed and implemented in response to the estimate of 35% of the Work First population with a The goal of this initiative was to provide early substance abuse problem. identification of Work First applicants and recipients with substance impairments and provide referral treatment to assist in their ability to become self-sufficient. If an applicant refuse to be screened the application is denied for assistance or in the case of a current recipient they, lose their eligibility for cash assistance. But in both cases, they will still be evaluated for Medicaid. DSS workers have been trained to conduct the screenings. If the applicant or recipient scores high on the screening, a consent for release is signed, and they are referred to a qualified substance abuse professional, to determine if they have a substance abuse diagnosis. If they are found to have a problem, they are referred to the appropriate level of substance At this point the substance abuse treatment becomes a abuse treatment. requirement of the personal responsibility contract Part II for DSS. It was found that detoxification does not work alone. Detox is used, and is found to be very helpful with cleansing the body of chemicals, but it is coupled with an extensive out patient treatment program.

At the end of the presentation, the floor was opened for questions and comments.

House Welfare Reform Minutes March 25, 1999 Page Two

Time did not permit for a presentation from Ms Pheon Beal. She was asked to return to our next meeting to complete her report.

### **Adjournment**

The meeting was adjourned at 12:50.

Respectfully submitted,

Presiding Co-Chair, Representative Beverly Earle

Ann Raeford, Committee Clerk

Attachment I Attachment II Agenda

Visitor Registration

### VISITOR RECISTRATION SHEET

### THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY
1. A Scott Roblins	Dm 11/150/5AS
2. Granese Kangre	<u> 22Q</u>
3. Brenda Williamson	DET / DOC
4. Sozien Schmidt	NCJCDC
5 Summers	NC Egente
6. Loy Sonowick	DIV MHHS ISAS
, Sperce Clark	DMHI DDISAS
Dane Smith	DHHIS/DS3
, Pam Samans	ACSocial Senices Consortium
10. Cymbornos	Kornsor70
11. Kevin Howell	Gov's coffice
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### MINUTES HOUSE WELFARE REFORM COMMITTEE APRIL 8, 1999 – 12:00 NOON

The House Welfare Reform Committee met on Thursday, April 8, 1999 at 12:00 noon in Room 415 of the Legislative Office Building. Four House Members were present as follows: Representatives Alma Adams, Martha Alexander, Trudi Walend and Larry Womble.

Representative Alma Adams, Vice Chair, called the meeting to order and welcomed everyone attending the meeting and thanked them for their interest in welfare reform and related issues. She recognized Mr. David Clegg, Deputy Commissioner and Director of Governmental Relations, Employment Security Commission and turned the meeting over to him. Mr. Clegg thanked the committee for the opportunity to share a very successful component of the Work First initiative – First Stop-The Work First Employment Assistance Program (attachment #1). He made an ESC Online presentation using their website (http://www.esc.state.nc.us). It is a marvelous partnership of the Employment Security Commission with the other agencies in State Government that are about the work of Work First. Economic empowerment is the ultimate goal of Work First. From experience as a former Brunswick County Manager and County Attorney when state mandates came down to the counties, the counties did not have much say about them, and it was upsetting. The First Stop program is locally driven and, therefore, provides the opportunity for each local labor market to assist its own Work First population. Goals of First Stop program are to assist clients in finding employment, ensure clients retain their jobs, promote life long learning, encourage upward job mobility, solicit employer participation, provide program direction through local job service employer committees, and distribute planning information through NC Works. The Employment Security Commission is the primary deliver of job placement services in the Work First program, and we are proud of our record of placing over 165,000 people last year in jobs and in maintaining the shortest duration of unemployment in the nation. With the economy as it is, we have employers in this date who are crying for employees and are eager to have employees undergo training and/or motivated to retain the jobs in which they are placed. The legislation that created the First Stop program mandates the ESC to maintain a registration point in all 100 counties where individuals are directed to register for work prior to accessing any other services. The ESC maintains these registration points at its statewide locations which includes 90 local offices, 44 career centers (21 of which exist in the ESC offices), 54 community college campuses, six military bases, four universities and two housing authorities. The first issue to be dealt with during the registration process is a determination of job readiness for the client. Temporary agencies have provided a meaningful conduit for Work First clients into good jobs. We send information regarding the earned income tax credit so that the employer can understand the provisions of that opportunity. If the client is not job ready, and this does happen quite a bit, and if it is a lack of training or lack of supported services, the barriers to the employment need to be evaluated, and the appropriate supporting service needs to be met immediately. Issues affecting worker's barriers to employment across

the state are clearly obtaining childcare and eldercare, food stamps, Medicaid, transportation, housing assistance and cash for emergency assistance. If the client is not job ready, he or she is referred to the local Department of Social Services for job preparedness training. They may be referred to the Pathways to Employment Program at the local community college both for general education, adult basic education, human resources development and the G.E.D. program. At completion of that training the individual is returned to ESC for a reinstitution of the job search. It is very important to educate employers about the First Stop program, to tell them about the Earned Income Tax Credit, the Work Opportunity Tax Credit, Welfare to Work Initiative, 100 Day No-Fault Tax Liability, and pending Temporary Assistance to Needy Families (TANF) No Fault Tax Liability. There is pending legislation in the House Ways and Means Committee about a no fault tax liability specifically for TANF recipients.

Mr. Clegg stated that since the beginning of First Stop in February 1, 1998 through February 28, 1999, 48,462 applicants have been registered. 36,184 were job ready, and 27,103 applicants were referred to jobs. The other component of the First Stop Employee Assistance Program was a direction that there be undertaken at the ESC a statistical and demographic survey called NC Works to show clearly the impact of the study had gone beyond simply a study of working poor and was addressing the entire labor market. The study is being used extensively by individuals in the academic world, social services and human service arenas, and economic developers. NC Works (attachment II) has been a very successful tool. Mr. Clegg introduced Mr. Bob Cottrell, ESC's Labor Market Information Director. Mr. Cottrell demonstrated how NC Works is presented on the Internet and how the study fits in closely with Work First Program. Representative Alexander asked if people are tracked in their jobs and what kind of jobs do they perform, and Mr. Clegg stated employees are tracked with a follow-up system and as soon as the individuals are hired, the next quarter employers pay unemployment taxes for them. Many employees perform personal, service, retail, and manufacturing jobs. There is no typical Work First client, and the diversity is same as for the population as a whole. Mr. Cottrell reviewed Attachment II. NC Works may be accessed through ESC's home page on the Internet. He stated major emphasis of program is in looking at what is happening in the individual counties. Each county section begins with a background sketch of what is happening in that economy. Key industries, wages and comparative information to most important industries in NC are included. To understand work force in an area is to understand what the educational attainment is in that area. We look at information associated with layoffs and plant closings. This gives us an idea where people may be available in the workforce. Industrial change in NC over the past few years is important. NC remains one of the most manufacturing oriented states in the country. Nationally the percentage of total non-agricultural employment runs about 16 percent in manufacturing, but in NC it is about 24 percent. We put together information from our occupational projections data and wage data to list 20 fastest growing jobs in the Council of Government's Planning Region matching it up with both entry level and experienced wage and a basic educational requirement on what is needed to go into that kind of work. We have identified those jobs that have most openings available and growth expected and wages and educational requirements for them. We were asked to take a look at the number of families in NC living at certain levels in comparison to the

poverty level. The information came from the Revenue Department, and there is no direct information on family size and income that we can assign to counties so there was a proxy number or substitute number used to derive this. We looked at exemptions on income tax form as an approximation of family size and assigned the income categories based on that family size. This is an area we expect to see improvement on with the new 2000 Census. We will be updating information on income, employment, wages, outlook and other components as well.

The Chair thanked Mr. Clegg and Mr. Cottrell for their presentations. She apologized to Ms. Brenda Williamson, Welfare to Work Program, for running out of time and asked her to consider making her presentation at the next committee meeting on April 15, 1999. Ms. Williamson agreed to make her presentation at the next meeting. The chair asked for questions from committee members. Representative Womble asked Mr. Cottrell about verifying the requirements through the use of income tax. He knows people who are probably still on welfare or getting some kind of assistance who do not make enough money to even file income tax so how can this be justified if they do not file. Mr. Cottrell agreed that it does not capture everyone and the only time there is a true account is when there is census. Representative Womble asked if some other method or procedure could be used that would give a more accurate picture. His rationale is that some people fall through the cracks and they do not get the services needed. In the census in some neighborhoods a lot of people are not counted, and a lot of money is going to these programs based upon the kinds of people in these programs and as a result, we do not get the money because we are not accurately counted. Is there some other method that could be used rather than using the income tax information. Mr. Cottrell said the ESC is always looking at ways to refine and to include all possible information. He asked for recommendations from General Assembly Members, Research Staff or others as to how to better do this. The Chair asked how long does the follow-up of workers occur, and Mr. Clegg stated the first four week of employment are absolutely critical, and the first four days are more important than the first four weeks. We do check on the employee, and if the worker leaves, we expect to see the worker come back to ESC for another job opportunity. The Department of Social Services maintains a constant contact with the worker also.

The meeting adjourned at 12:45 PM.

Respectfully submitted,

Representative Alma Adams

Vice Chair

Mary/Capps/

Legislative Committee Assistant

### HOUSE WELFARE REFORM COMMITTEE

### **AGENDA**

APRIL 8, 1999 12:00 NOON

**OPENING REMARKS** 

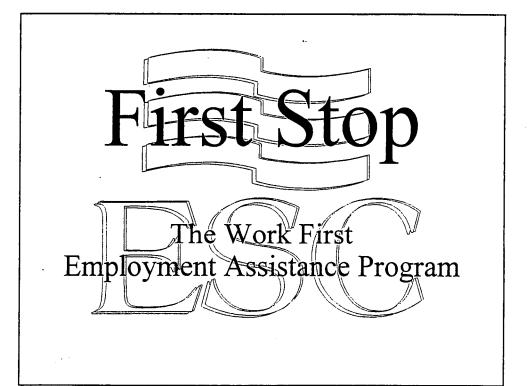
REP. ALMA ADAMS

VICE CHAIR

PRESENTATIONS ON WORK FIRST AND EMPLOYMENT

BRENDA WILLIAMSON
DIVISION OF EMPLOYMENT AND TRAINING

DAVID CLEGG EMPLOYMENT SECURITY COMMISSION



### The Goals of the First Stop Program

- ◆ Assist Clients in Finding Employment
- ◆ Ensure Clients Retain Their Jobs
- ◆ Promote Life Long Learning
- ◆ Encourage Upward Job Mobility
- ◆ Solicit Employer Participation
- ◆ Provide Program Direction Through Local Job Service Employer Committees
- **◆** Distribute Planning Information Through NC Works

### First Stop Administration

- Administered by the Employment Security Commission in Primary Consultation with:
  - → The Department of Health and Human Services
  - → The Department of Commerce
  - → The Department of Community Colleges

ESC is the Presumptive Primary Deliverer of Job Placement Services.

### The First Stop Employment Assistance Program

First Stop is a Key Component of NC's Work First Initiative That is Designed to:

- ◆ Divert Job Ready Recipients of Public Assistance from Cash Assistance into Self-Sufficiency Through Meaningful Employment Opportunity
- Educate Employers About the Benefits of Hiring First Stop Clients

### Where Are Services Provided?

### Registration Points are Located in all 100 Counties

- **◆** Employment Security Commission
  - → 90 Local Offices
  - → 44 Career Centers (21 in ESC offices)
- ◆ 54 Community Colleges
- ♦ 6 Military Bases
- ♦ 4 Universities
- ◆ 2 Housing Authorities

ESC Placed Over 150,000 Individuals in Jobs Last Year.

### First Stop Registration & Job Readiness

- Evaluate the Job Readiness of the Client
  - ◆ The Client is Job Ready:
    - → Conduct Job Search and Refer to Appropriate Jobs including Temporary Agencies
    - → Make Job Development Contacts
    - → Refer Client to Available Jobs
    - → Mentor Clients
    - → Explain Earned Income Tax Credit (EITC)

### First Stop Registration & Job Readiness (cont.)

◆ The Client is not Job Ready:

**Evaluate Barriers to Employment and Refer to Appropriate Supportive Services:** 

- → Child Care/Elder Care
- → Food Stamps
- → Medicaid
- **→**Transportation
- → Housing Assistance
- → Cash or Emergency Assistance

### First Stop Registration & Job Readiness (cont.)

- ◆ Refer Client to the Local Department of Social Services for Job Preparedness Training to Upgrade General Employability Skills:
  - → Refer to Pathways to Employment Program at the Local Community College
    - Skill Specific Training
    - Adult Basic Education
    - Human Resource Development
    - G. E. D.

At Completion of Training, Return to ESC for Job Search

### Educate Employers about First Stop

- ♦ Work Opportunity Tax Credit
- ♦ Welfare to Work Initiative
- ◆ 100 Day No-Fault Tax Liability
- ◆ Legislation Pending for TANF (Temporary Assistance to Needy Families) No Fault Tax Liability

### Statewide Summary of First Stop Activity February 1, 1998 to February 28, 1999

- ◆ 48,462 Applicants Have Been Registered
- ◆ 36,184 Were Job Ready
- ◆ 27,103 Applicants Were Referred to Jobs (Others Need Intensive Coaching.)

### NC Works 1999 Report April 7, 1999

### **Statewide Information**

- Analysis of the effectiveness of the UI system for low-wage workers with comparisons to other states and evaluation of the impact of recent legislative changes is under way.
- An examination of the wages, benefits, protections available to contingent workers in comparison to full-time workers will be added to this year's report. Survey results have been analyzed and reports on the results are being written.

### Statewide and County Reports

- First Stop data currently is included for both the counties and the state and contains current month, prior month and project-to-date information
- Data has been compiled for 1997 and 1998 job orders, job openings and
  placements stratified by occupational groupings. Wage range information for job
  openings has been developed for 1997 and 1998 and is being compiled to produce
  the wage tables.
- Data on layoffs and plant closings have been gathered from a variety of news articles, WARN notices and other public sources from across the state.
- A test file of New Hires Directory data is being used to develop reports analyzing the respective geography of hiring employers and the county of residence of workers hired.
- A master file, comprised of data from the ESC's jobseeker, unemployment claimant and the wage records systems, has been generated for 1997.
- An analysis of the impact of changes in the industrial make up of the state, such as the shift from manufacturing to service industries, is expected to be complete in the next two weeks.

### NC Works 1999 Report (continued) April 7, 1999

- Files from the Department of Revenue (DOR), the Division of Motor Vehicles (DMV), the Department of Health and Human Services (HHS) and the Employment Security Commission (ESC) will be used to conduct a demographic analysis of the workforce. DOR and ESC data are available. DMV data is being processed and correspondence with the Division of Social Services requesting assistance has been initiated. In addition, the analysis of family income by size will be updated in accordance with the new federal guidelines.
- The Top 20 Occupations in North Carolina, containing the 20 fastest growing occupations and those occupations with the most openings, will be updated within the next 30 days. Occupational wage information from the Occupational Employment Statistics program will be made available for these occupations as well.
- Unemployment insurance benefits data for the county and statewide tables will be compiled over the next 2-3 weeks.
- General county information is being supplemented and updated for the following areas: population, workforce, employment, unemployment, key industries, income data, and unemployment insurance data. While there is no new data available on educational attainment levels, education data is being supplemented with information on post-high school intentions of high school graduates.
- Maps, charts and graphs produced for *The Study of the Working Poor* are currently being revised and updated.
- Methodologies for individual data elements are being compiled and will include data sources.
- The Glossary is being reviewed and updated.

Prepared by: The Labor Market Information Division Employment Security Commission of North Carolina

### **VISITOR REGISTRATION SHEET**

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, 1999

Name of Committee

Date

### VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Rosma Switt	Ne child (me Coalition
Besty Smith	Legislotine assistant
Link and John	NC-E5C
Jane Tolsan	NC ESC
Robert Cathell	WC. ESE
Som MM	JC-ESC
Manue Tields	NC-ESC
Mellan Primayera	NC Assin of Country DSS Directors
Reen Beal	WCDSS
Brenda Williamson	DET
	NCDOE
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# MINUTES HOUSE WELFARE REFORM COMMITTEE APRIL 15, 1999 – 12:00 NOON

The House Welfare Reform Committee met on Thursday, April 15, 1999 at 12:00 noon in Room 415 of the Legislative Office Building. Four House Members were present as follows: Representatives Alma Adams, Stan Fox, Trudi Walend and Larry Womble.

Representative Stan Fox, Chair, called the meeting to order. He introduced Ms. Brenda Williamson, Welfare to Work Program Manager, Division of Employment and Training, Department of Commerce. Ms. Williamson stated she would share background information on Welfare to Work Grant. In August of 1997 Congress enacted the new Welfare to Work Grant Program which is designated to help states deal with employment needs of the hardest to serve welfare recipient. North Carolina has received two allocations totaling just under \$50,000,000 for this effort, and the program requires a match of \$1 for every \$2 federal dollars. Welfare to Work differs from the traditional job training programs in that occupational or basic skill training is available only after the individual is employed. That is work first train later philosophy. As to program administration, at Federal level it is US Department of Labor taking the lead, and at the state level it is Department of Commerce. The other partners include the Employment Security Commission, Department of Health and Human Services, and the Department of Community Colleges. At the local level the federal legislation envisioned that the program would be administered through the Job Training Partnership Act (JTPA) because it was already in place. In NC we made a decision to place these funds through a county level partnership involved in local divisions of Social Services, local job service employer committees, and local work force development boards. The system is decentralized, and no two are the same. JTPA splits the state into sections called Service Delivery Areas (SDAs) Attachment #I. There are 25 SDAs. Each SDA has a workforce development board that is appointed by the local elected official, each has an agency with a responsibility to staff the board and administer the program in the area, and NC began the Job Training Partnership Act in 1982 with 12 SDAs. Over the past 16 years there has been as many as 28, but the number has stabilized to the current 25. SDAs vary in size. There are seven single county SDAs which include Cumberland, Durham, Mecklenburg, Davidson, Gaston, Guilford, and Forsyth Counties. The remaining SDAs are a consortium of counties most of which follow the geographical boundaries of the lead regional organizational structure in the state. Generally the smaller SDAs are administered by units of government, either city or county such as the City of Greensboro is the administrative agent for Guilford County SDA. There are some Welfare to Work grants that come into NC called the Welfare to Work Competitive Grant. Of the \$3 billion in the overall Welfare to Work Program nationally roughly one half of it is distributed each year. Seventy five percent is earmarked for distribution to the state as formula grants and that is what we administer. The \$50 million in Welfare to Work funds are formula grants. In the two rounds of competitive grants already in NC we have fared pretty well. We had two winners in the first round and three winners in the second.

Bennett College in Greensboro received \$5 million, and the Employment and Training Program Department of the Marriott International Community received \$3.5 million for twenty sites one of which is in Charlotte. Also, Southeastern Community College in Whiteville and UDI Community Development Corporation in Durham received grants. The third round of USDA competitive grants are due back to the Department by April 30.

Ms. Williamson also shared the status of initiatives here locally. We have received 23 bids of the local 25 SDAs been released, but not all have been negotiated or awarded. We have the number of participants who enrolled in the program across the state based on surveys we issued. Contractors include Social Services, community based organizations such as the Urban League in conjunction with the Opportunity American in Charlotte/Mecklenburg, Eye Care in Iredell/Lincoln, Council for Negro Women in Fayetteville, Lawndale First Baptist Church, and the Housing Authority in Rocky Mount. There are private contractors such as Temporary and Personnel Services and Community Colleges. The target groups are those hardest to place. At least 70 percent of the funds must be spent on individuals that meet certain characteristics identified by the Federal Government – that is a long-term TANF recipient that meets certain barriers. The recipient has not completed secondary school or obtained a GED and has low reading or math skills and requires substance abuse treatment for employment or they have a poor work history and must be a long-term recipient needing one or two criteria. They receive assistance for at least 30 months or they will be ineligible within 12 months due to time limits. The other categories are non-custodial parent of a minor if a custodial parent meets the eligibility under the previous categories discussed and individuals who would be eligible to receive TANF but is no longer receiving the assistance because of the federal and/or state time limits. Thirty percent of the funds can be spent on individuals with characteristics that are associated with or predicative of long-term welfare dependence. The program has various requirements and one of the things the Federal Government is looking at is the barriers. Any individual must meet two out of the three. The barriers themselves seemingly have become barriers to enrollment, and the Federal Government is looking at trying to put forth a technical amendment to change the barriers to one out of three.

Some of the services provided are outreach and recruitment, assessment, pre and post employment services, job readiness services and classes, work experience, OJT skills training, job placement, case management and job coaching. It also includes supportive services such as transportation assistance, substance abuse treatment (not medical treatment), childcare assistance and emergency or short term housing assistance if these supportive services are not otherwise available. There are a couple of focused areas in Regional II that have an emphasis on the non-custodial parent program. Once a parent is sent to the court the judge checks for the child and gives the non-custodial parent the option of entering the Welfare to Work Program or going to jail. All the agencies work hand in hand with other organizations such as Goodwill to provide comprehensive services. At a recent roundtable meeting in Greensboro, the SDA had brought together all of the organizations that are dealing with Welfare Reform issues to discuss what kinds of efforts are going on in the counties. It was decided to come

together on a regular basis to have a big picture of all of the resources and efforts going on.

Representative Adams was recognized and she asked if there is an effort to coordinate these programs, and Ms. Williamson stated the SDAs are the local entity who are responsible and they are coordinating with their local groups. Representative Adams asked about the barriers, and Ms. Williamson said a long term TANF recipient must not have completed secondary school or obtained their GED and has low reading and math skills, requires substance abuse treatment for employment or has poor work history and must be a long-term recipient. Now two of these three criteria must be met. Chair Fox asked if the SDA Director is someone from DSS and Ms. Williamson said the directors are from SDAs. Mr. Williamson said we have seen a drop in TANF recipients and that is happening because someone who has been on the system has to meet two or three of the barriers and there are a number of people who may have a high school diploma but their literacy and reading levels are still low. Representative Adams said the barriers prevent people from getting help, and we need to do a better job, and she asked about the agency's involvement in the competitive grants and is the agency privy to those who might be part of the third round. Ms. Williamson said the deadline is April 15 and a committee will review the applications because a letter of support is needed before the application is submitted to the Federal Government on April 30. Anyone can apply for the three rounds. Representative Womble shared several concerns. He requested again what happens to those people who are no longer qualified or are no longer on the list and cannot come back to this program. Ms. Pheon Beal, Division of Social Services, stated she would address this issue at a later time when she appears before the Committee. Representative Womble stated the Jordan Institute for Families at the University of North Carolina has done a study (see Winston-Salem Journal editorial-Attachment II). Getting parents off of welfare may be a victory, but if the next generation comes back on welfare then the victory has been a wash. He will address this issue at a later committee meeting.

Chair Fox read a note stating Representative Earle does not plan for the committee to meet on April 22, but she would like for committee members to meet with the Joint Appropriations/Health and Human Services Subcommittee at 8:30 AM on April 22 to hear a presentation by Ms. Pheon Beal at that time.

The meeting adjourned at 12:45 PM.

Respectfully submitted,

Representative Stan Fox Presiding Chair

Mary Casss Mary Capps, Committee Assistant

# HOUSE WELFARE REFORM COMMITTEE

# **AGENDA**

APRIL 15, 1999 12:00 NOON

**OPENING REMARKS** 

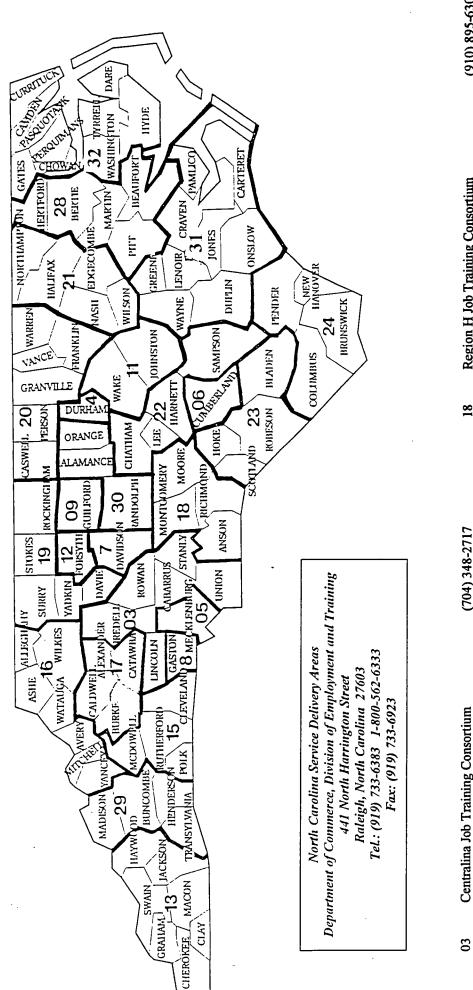
REP. STAN FOX CHAIR

# PRESENTATION ON WELFARE TO WORK PROGRAM

ALAN ALEXANDER, DIRECTOR WELFARE TO WORK PROGRAM

BRENDA WILLIAMSON
WELFARE TO WORK PROGRAM MANAGER
DIVISION OF EMPLOYMENT AND TRAINING
DEPARTMENT OF COMMERCE

# North Carolina Service Delivery Areas



(910) 895-6306	(336) 761-2111	(252) 492-8561	(252) 446-0411	(910) 323-4191	(910) 618-5533	(910) 395-4553	(252) 946-8043	(828) 250-4760	(336) 629-5141	(252) 636-6901	(252) 946-8043	
Region H Job Training Consortium	Northwest Piedmont Job Training Consortium	Kerr-Tar Interlocal Consortium for Job Training	Region L Job Training Consortium	Mid-Carolina Service Delivery Area	Lumber River Job Training Consortium	Cape Fear SDA Job Training Consortium	Region Q SDA Job Training Consortium	Mountain Area Job Training Services	Regional Partnership Workforce Development	Eastern Carolina Workforce Development	Region R SDA Consortium	
18	19	70	21	22	23	24	78	53	30	31	32	
(704) 348-2717	(919) 560-4965	(704) 336-2106	(910) 323-3421	(336) 242-2065	(704) 866-3955	(336) 373-5922	(919) 856-6040	(336) 727-8002	(828) 488-9211	(828) 287-0262	(828) 265-5434	(828) 322-9191
Centralina Job Training Consortium	Central Piedmont SDA	Charlotte/Mecklenburg Consortium	Cumberland County Workforce Development	Davidson County Service Delivery Area	Gaston County Service Delivery Area	Greeensboro/High Point/Guilford JTC	Capital Area Job Training Consortium	Winston-Salem/Forsyth County Consortium	Southwestern NC Service Delivery Area	Region C Job Training Consortium	Region D Service Delivery Area	Western Piedmont Job Training Consortium
03	04	02	90	01	80	60	11	12	13	15	16	11

# **NORTH CAROLINA** SERVICE DELIVERY AREAS

# Centralina Workforce Development Consortium(3)

P.O. Box 35008 Charlotte, NC 28235

Telephone:

(704) 348-2717

Fax: (704) 347-4710

SDA DIRECTOR: Mr. David Hollars

Counties Served: Cabarrus, Iredell, Lincoln, Rowan, Stanly, Union

# Central Piedmont Employment & Training SDA(4)

101 City Hall Plaza Durham, NC 27702

Telephone:

(919) 560-4965

Fax: (919) 560-4986

SDA DIRECTOR: Mr. Ted Abernathy

Counties Served: Durham

# Charlotte/Mecklenburg Consortium (5)

600 E. Trade Street Charlotte, NC 28202

Telephone:

(704) 336-2106

Fax: (704) 336-2527

SDA DIRECTOR: Ms. Deborah Hazzard

Counties Served: Mecklenburg

# **Cumberland County SDA(6)**

P. O. Box 1829

Fayetteville, NC 28302-1829

Telephone:

(910) 323-3421

Fax: (910) 323-5755

SDA DIRECTOR: Ms. Pauline Goodman

Counties Served: Cumberland

# **Davidson County SDA (7)**

P.O. Box 1067

Lexington, NC 27293-1067

Telephone:

(336) 242-2065

Fax: (336) 248-5410

SDA DIRECTOR: Ms. Pat Everhart

Counties Served: Davidson

# Gaston County Dept. of Social Services(8)

P.O. Box 10

Gastonia, NC 28053

Telephone:

(704) 866-3955

Fax: (704) 866-3992

SDA DIRECTOR: Mr. Michael Felt, Director

Counties Served: Gaston

# Greensboro/High Point/ Guilford County Job Trng. Consortium(9)

303 North Raleigh Street Greensboro, NC 27401

Telephone:

(336) 373-5922

Fax: (336) 373-5840

SDA DIRECTOR: Ms. Lillian Plummer

Counties Served: Guilford

# Capital Area Workforce Development Consortium(11)

P.O. Box 550 Raleigh, NC 27602

Telephone:

(919) 856-6040

Fax: (919) 856-6038

SDA DIRECTOR: Ms. Brenda Savage

Counties Served: Johnston, Wake

## Winston-Salem/Forsyth County Consortium(12)

P.O. Box 2511

Winston-Salem, NC 27102

Telephone:

(336) 727-8002

Fax: (336) 748-3303

SDA DIRECTOR: Ms. Martha Jo Campbell

Counties Served: Forsyth

## Southwestern NC SDA(13)

P.O. Drawer 850

Bryson City, NC 28713

Telephone:

(828) 488-9211

Fax: (828) 488-3950

SDA DIRECTOR: Mr. Erik Brinke

Counties Served: Cherokee, Clay, Graham, Haywood, Jackson, Macon, Swain

# Region C Job Training Consortium(15)

P.O. Box 841

Rutherfordton, NC 28139

Telephone:

(704) 287-0262

Fax: (828) 287-2735

SDA DIRECTOR: Mr. Bill Robertson

Counties Served: Cleveland, McDowell, Polk, Rutherford

# Region D SDA(16)

P.O. Box 1820 Boone, NC 28607

Telephone:

(828) 265-5434

Fax: (828) 265-5439

**SDA DIRECTOR:** Ms. Carole Coates

Counties Served: Alleghany, Ashe, Avery, Mitchell, Watauga, Wilkes, Yancey

# Western Piedmont Job Training Consortium(17)

P. O. Box 9026 Hickory, NC 28603

Telephone:

(828) 322-9191

Fax: (828) 322-5991

SDA DIRECTOR: Ms. Sheila Dotson

Counties Served: Alexander, Burke, Caldwell, Catawba

# Region H Job Training Consortium(18)

302 Leak Street

Rockingham, NC 28379

Telephone:

(910) 895-6306

Fax: (910) 895-3369

SDA DIRECTOR: Mr. Carlton Black

Counties Served: Anson, Montgomery, Moore, Richmond

#### Northwest Piedmont Job Training Consortium(19)

400 West Fourth Street, Suite 400

Winston-Salem, NC 27101

Telephone:

(336) 761-2111

Fax: (336) 761-2112

SDA DIRECTOR: Ms. Theresa Reynolds

Counties Served: Davie, Rockingham, Stokes, Surry, Yadkin

# Kerr-Tar Interlocal Cooperative Consortium for Job Trng .(20)

P.O. Box 709

Henderson, NC 27536

Telephone:

(252) 492-8561

Fax: (252) 492-9110

SDA DIRECTOR: Ms. Jane Ball-Groom

Counties Served: Caswell, Franklin, Granville, Person, Vance, Warren

# Region L Job Training Consortium (21)

P.O. Drawer 2748

Rocky Mount, NC 27802

Telephone:

(252) 446-0411

Fax: (252) 446-5651

SDA DIRECTOR: Ms. Pam Whitaker

Counties Served: Edgecombe, Halifax, Nash, Northampton, Wilson

#### Mid-Carolina SDA (22)

P.O. Drawer 1510 Fayetteville, NC 28302

Telephone:

(910) 323-4191

Fax: (910) 323-9330

SDA DIRECTOR: Ms. Mary Ann Dolister

Counties Served: Chatham, Harnett, Lee, Sampson

# Lumber River Job Training Consortium (23)

4721 Fayetteville Road Lumberton, NC 28358

Telephone:

(910) 618-5533

Fax: (910) 618-5576

SDA DIRECTOR: Ms. Sylvia Pate

Counties Served: Bladen, Hoke, Robeson Scotland

# Cape Fear SDA Job Training Consortium (24)

1480 Harbour Drive Wilmington, NC 28401

Telephone:

(910) 395-4553

Fax: (910) 395-2684

SDA DIRECTOR: Ms. Margie Parker

Counties Served: Brunswick, Columbus, New Hanover, Pender

# Region Q Job Training Consortium (28)

P. O. Drawer 1787 Washington, NC 27889

Telephone:

(252) 946-8043

Fax: (252) 321-0977

SDA DIRECTOR: Ms. Karen Clary

Counties Served: Beaufort, Bertie, Hertford, Martin, Pitt

## Mountain Area SDA (29)

P.O. Box 729

Asheville, NC 28802

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Fax: (828) 255-5833

SDA DIRECTOR: Ms. Helen Beck

Counties Served: Buncombe, Henderson, Madison, Transylvania

## Regional Partnership Workforce Development Board (30)

P.O. Box 1883

Asheboro, NC 27204-1883

Telephone:

(336) 629-5141

Fax: (336) 629-1290

SDA DIRECTOR: Ms. Janice Scarborough

Counties Served: Alamance, Orange, Randolph

# Eastern Carolina Job Training Consortium (31)

P.O. Box 87

New Bern, NC 28563

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Fax: (252) 638-3569

SDA DIRECTOR: Ms. Tammy Childers

Counties Served: Carteret, Craven, Duplin, Greene, Jones, Lenoir, Onslow, Pamlico, Wayne

# Region R SDA Consortium (32)

P. O. Drawer 1787 Washington, NC 27889

Telephone:

(252) 946-8043

Fax: (252) 321-0977

SDA DIRECTOR: Ms. Karen Clary

Counties Served: Camden, Chowan, Currituck, Dare, Gates, Hyde, Pasquotank, Perquimans, Tyrrell,

Washington

# THEED



# Rep. Larry Womble

NC House of Representatives

66th District Tel (336) 784-9373 Fax (336) 784-1626

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# Editorials

# Breaking the Cycle

It's no secret that to defeat poverty you have to break its cycle. The children of high school dropouts are far more likely to quit school themselves. Children whose mothers receive welfare too often end up relying on public assistance as adults. Girls whose mothers were teenagers when they gave birth are more likely to become teen moms.

A central tenet of welfare reform is breaking this cycle by forcing parents off assistance and into jobs. The hope is that children with a working parent will pick up a work ethic, stay in school and someday hold down a job. In many cases this is precisely what happens.

But it isn't happening often enough. A new study from the Jordan Institute for Families at the University of North Carolina at Chapel Hill shows the educational performance of the state's poor children has not improved with welfare reform.

The study, the largest of its kind ever conducted, followed 18,000 North Carolina students whose mothers have received welfare and showed that less than half finish high school.

While dropout rates for the general student population are stable or declining, the dropout rates for children of welfare have increased.

The study's findings, however, were not all negative. They showed that when parents leave welfare, go to work and consistently stay employed, their children are more likely to stay in school than are children whose mothers stay on the welfare rolls.

Among children whose parents left welfare for work and stayed there, 39 percent dropped out of school. Among children whose parents never went to work or who rotated between jobs and welfare — as at least 61 percent of the

parents in the study did — 56 percent dropped out.

Gov. Jim Hunt's administration cites this finding as evidence that his Work First program has been successful. The program, started in 1995, requires recipients to get a job within 12 weeks.

But a 39 percent dropout rate is nothing to brag about. Overall, the study found that the academic performance of poor children has been on a steady downward slide for most of this decade.

In the early 1990s, 75 percent of children with parents on public assistance finished school, but less than half do now. Hardly any third-graders were suspended from school in 1989, but 10 percent of the children of the poor have now been suspended by the time they reach the third grade. Poor children's performance on end-of-grade competency tests peaks as early as sixth grade, especially in math, then declines.

Getting parents off welfare is a Pyrrhic victory if the next generation is destined to get back on. Work First, which focuses on parents, must be complemented with programs aimed at children.

The solutions to breaking this vicious cycle must involve more than the welfare system. Sen. Bill Martin, a Guilford Democrat who focuses on welfare issues, is proposing a program that combines the efforts of the schools, social services and other agencies.

When battling poverty, the state's agencies must present more of a united front. Too often, agencies engage in turf wars over funding and work in isolation from one another. If Work First's success at getting parents off welfare is to be more than a temporary lull in the cycle of poverty and dependence, we must look at more than one generation.

# VISITOR REGISTRATION SHEET

WELFARE REFORM	April 15, 1999
Name of Committee	Date
VISITORS: PLEASE SIGN BELOW AN	ND RETURN TO COMMITTEE CLERK
NAME	FIRM OR AGENCY AND ADDRESS
Them send	DSS/ DHKS
Gane Smith	10 10
(PMeclein	Corenant w/ Ne's Children
Cestie Barer	NCOOC
Sparon Gusch	NC Social Services Consortrum
Pote : a. Danery	APPCNC / SOSL
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# HOUSE WELFARE REFORM

AGENDA April 22, 1999 12:00 PM

**OPENING** 

REP. BEVERLY EARLE

THE FOLLOWING BILLS WILL BE CONSIDERED (BILL # & SHORT TITLE):
HB 1243 – WELFARE LAW CHANGES
HB 1257 – WELFARE REFORM CHANGES

# HOUSE WELFARE REFORM

## MINUTES

APRIL 22, 1999

The North Carolina House Welfare Reform Committee met on Thursday, April 22, 1999 at 12:00 p.m. in Room 415 of the Legislative Office Building. The following members were present: Co-Chair, Representative Beverly Earle; Representative Larry Womble, and Trudi Walend.

# Welcome

Co-Chair, Representative Beverly Earle called the meeting to order and welcomed visitors and Pages.

The following bills were to be considered (Bill # and Short Title):

**HB 1257 – Welfare Reform Changes** 

HB 1243 - Welfare Law Changes

Due to Session starting at an earlier time, and with only a few members present, a subcommittee was formed to study the two bills and possible come up with one bill. The following members were appointed to the Subcommittee on Welfare Reform:

Representative Alma Adams
Representative Larry Womble
Representative Trudi Walend
Representative Pete Cunningham
Representative Beverly Earle

The subcommittee is scheduled to meet next week to study the bill so that it may meet the crossover date of April 29, 1999.

# **Adjournment**

The meeting was adjourned at 12:35 p.m.

House Welfare Reform Minutes March 22, 1999 Page Two

Respectfully submitted,

Presiding, Co-Chair, Representative Beverly Earle

Ann Raeford, Committee Clerk

Attachment I

Attachment II HB 1243 – Welfare Law Changes
Attachment III HB 1257 – Welfare Reform Changes

Agenda

Attachment IV Visitor Registration

# GENERAL ASSEMBLY OF NORTH CAROLINA

# SESSION 1999

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HOUSE BILL 1257

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# Short Title: Welfare Reform Changes. (Public) Sponsors: Representatives Earle and Alexander. Referred to: Welfare Reform.

# April 15, 1999

1	A BILL TO BE ENTITLED
2	AN ACT TO MAKE CHANGES TO THE TEMPORARY ASSISTANCE FOR
3	NEEDY FAMILIES LAW PERTAINING TO THE MEDICAID STANDARD OF
4	NEED, PAY-AFTER-PERFORMANCE FOR TWO-PARENT FAMILIES, TIME
5	LIMITATIONS ON ASSISTANCE, AND OTHER AREAS OF WELFARE
6	REFORM.
7	The General Assembly of North Carolina enacts:
8	Section 1. G.S. 108A-27.2 is amended by adding the following new
9	subdivisions to read:
10	"The Department shall have the following general duties with respect to the Work
11	First Program:
12	•••
13	(1b) Ensure that eligibility criteria across the State include the Medicaid
14	Standard of Need for the Categorically Needy;
15	(1c) Ensure that qualified two-parent families receive assistance for
16	three months after qualifying for assistance, in order to encourage
17	families to stay together and to overcome barriers to self-sufficiency
18	and gainful employment,"
19	Section 2. G.S. 108A-27.9(c) is amended by adding the following new
	subdivisions to read:
21	"(c) The State Plan shall include the following generally applicable provisions:

1	(1b) Provisions to ensure that eligibility criteria across the State inc	مادرا
2	ine Medicaid Eligibility Standard of Need for the categoric	an Ilv
3	needy:	ally
4		_:
5	assistance for three months after qualifying for assistance, in o	<u>eive</u>
6	to encourage families to stay together and to overcome barries	<u>raer</u>
7		<u>s to</u>
8		
9	i a comparation of the contract of the contrac	
10	o more and aminutations on assistance.	
11	(") "" "" "" Ottaildald Wolk I Hat I Hogidill, Illiest an eyiphtinh or an examn	tion
12	is provided pursuant to the provisions of the Part or the State Plan, any	cash
13	assistance provided to a person or family in the employment program shall only	/ be
	provided for a cumulative total of 24 months. After having received each assists	
14	101 24 months, the person or the family may reapply for each assistance, but not a	
15	allel 30 10 months from the last month the person or the family received	ash
16	assistance. This subsection shall not apply to child-only cases.	
1/	(D) Electing Counties may set any time limitations on assistance it 5	nds
18	appropriate, so long as the time limitations do not conflict with or exceed any fed	eral
19	time illitations.	
20	Section 4. G.S. 108A-27.3(a) is amended by adding the following a	1611
21	subdivision to read:	
22	"(a) The duties of the county boards of commissioners in Electing Counties un	dor
23	the Work First Program are as follows:	acı
24	•••	
25	(10a) Ensure that all Work First cases are reviewed no later than th	raa
26	months prior to expiration of time limitations for receiving of	ach
27	assistance to:	<u>a311</u>
28	a. Ensure that time limitations on assistance have be	
29	computed correctly;	<u>sen</u>
30	b. Ensure that the family is informed in writing about pul	.1: _
31	assistance benefits for which the family is eligible even where	)]]C
32	cash assistance is no longer available:	me
33	c. Provide for an extension of cash assistance benefits if	41
34	family qualifies for an extension; and	<u>ine</u>
35	d. Review family status and assist the family in identify	
36	The distriction of the second control of the	ing
37	resources and support the family needs to maint employment and family stability."	<u> 1111</u>
38	Section 5. G.S. 108A-27.4(e) is amended by adding the following n	
39	subdivision to read:	ew
40	"(e) Each county shall include in its County Plan the following:	
41		
42		
43	The county will leview all work his	<u>rst</u>
44	caseloads no later than three months prior to expiration of time	ne
• •	limitations for receiving cash assistance to:	

	_				
	1 a. Ensure that time limitation	ns on	assistance	have	been
	<u>computed correctly;</u>				
	b. Ensure that the family is in	formed	in writing	about r	<u>oublic</u>
4	assistance benefits for which	<u>the fam</u>	ily is eligibl	e even	while
	cash assistance is no longer a	<u>vailable</u>	:		
	6 <u>c. Provide for an extension of</u> 7 family qualifies for an extens	cash a	ssistance be	nefits i	if the
	<u>family qualifies for an extensi</u>	on; and			
	8 d. Review family status and a	<u>ssist th</u>	e family in	ident	ifying
	resources and support the	fami	ly needs t	o mai	ntain
10	complete and family stability	<u>ity.</u> "			
11	5. 5.5. 100/1 27.0(a) is amended	by add	ding the fol	llowing	new
12	12 subdivision to read:				
13	(") — " other was provided in this All	cle, the	e Standard	Work	First
14	14 Program shall be administered by the county depart	tments	of social se	ervices	The
15	13 county departments of social services in Standard Prog	ram Co	unties shall:		
16	10				
17	======================================	<u>e reviev</u>	wed no late	than	three
18	months prior to expiration of time	limitat	ions for rec	eiving	cash
19	assistance to:				
20		is on	assistance	have	been
21	computed correctly:				
22	2. Subaro that the failing is in	ormed	about publi	c assist	ance
23	benefits for which the family	y is eli	igible even	while	cash
24	assistance is no longer availab	<u>le:</u>			
25	21 210 TOT ALL CALCIDSTON OF	cash as	sistance bei	nefits if	f the
26	26 <u>family qualifies for an extension</u>	n; and			
27	Si Moview lanning status and as	sist the	e family in	identi	fving
28	resources and support the	family	v needs to	mair	ntain
29	employment and family stability	tv."			
30	overself i. C.S. 10012-27.2 is amended	y addi	ng the foll	owing	new
	subdivision to read:				
32	- Partitione shall have the following general of	uties wi	ith respect t	o the V	Vork
33	os first Program;		•		
34					
35	200 COUNTY WOLK THIST FIG	gram o	f each elect	ting co	untv
36	and recommend whether the cou	inty sh	ould contin	nue to	be
37	designated an electing county or who	ther it	should be re	edesign	ated
38	as a standard county. In conducti	ng its 1	review and	makin	gits
39	recommendation, the Department sh	all:			
40	<u>a.</u> Examine and consider the	results	of the De	partme	ent's
41	monitoring and evaluation of	f the i	mpact of the	he elec	cting
42	county's Work First Program	as requ	ired under	subdivi	sion
43	(9) of this section:				

4	
1	b. Determine whether the electing county's Work First
2	Program's unique design requires implementation by an
3	electing county or whether the Work First Program could be
4	implemented by a county designated as a standard county;
5	c. Determine whether the electing county's Work First
6	Program and policies are unique and innovative in meeting
7	the purpose of the Work First Program as stated under G.S.
8	108A-27, and State and federal laws, rules, and regulations,
9	as compared to other standard and electing county Work
10	First programs.
11	The Department shall make its recommendation and the reasons
12	therefor to the Joint Legislative Public Assistance Commission at
13	the time the Department submits the State Plan to the Commission
14	for review as required under G.S. 108A-27.9(a)."
15	Section 8. The Department of Health and Human Services shall amend
6	the North Carolina Temporary Assistance for Needy Families State Plan to include
17	and reflect changes to State law made by this act and any other act of the 1999
8	General Assembly.
9	Section 9. This act is effective when it becomes law.

# GENERAL ASSEMBLY OF NORTH CAROLINA

## **SESSION 1999**

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## **HOUSE BILL 1243**

Short Title: Welfare Law Changes. (Public) Sponsors: Representative Adams. Referred to: Welfare Reform. April 15, 1999 A BILL TO BE ENTITLED 2 AN ACT TO MAKE CHANGES TO THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES LAW PERTAINING TO THE MEDICAID STANDARD OF NEED, PAY-AFTER-PERFORMANCE FOR TWO-PARENT FAMILIES, TIME LIMITATIONS ON ASSISTANCE, AND OTHER RELATED MATTERS. 6 The General Assembly of North Carolina enacts: Section 1. 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 10 First Program: (1b)Ensure that eligibility criteria across the State include the Medicaid Standard of Need for the Categorically Needy; Ensure that qualified two-parent families that qualify for assistance (1c)receive assistance prior to meeting work requirements in order to encourage families to stay together and to overcome barriers to self-sufficiency and gainful employment." Section 2. 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: Provisions to ensure that eligibility criteria across the State include (1b)the Medicaid Eligibility Standard of Need for the Categorically Needy:

1	<u>(1c)</u>	Ensure that qualified two-parent families that qualify for	· assistance
2		receive assistance prior to meeting work requirements i	n order to
3		encourage families to stay together and to overcome	barriers to
4		self-sufficiency and gainful employment."	
5	Section	on 3. G.S. 108A-27.1 is repealed.	

Section 4. Part 2 of Article 2 of Chapter 108A of the General Statutes is 7 amended by adding the following new section to read:

# "§ 108A-27.1A. Time limitations on assistance prohibited.

Except for time limitations required by federal law, time limitations on assistance 10 are prohibited under the Standard Work First Program and under Work First 11 Programs implemented by electing counties."

Section 5. G.S. 108A-27.2(2) reads as rewritten:

"The Department shall have the following general duties with respect to the Work 14 First Program:

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(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 6. 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 7. The Department of Health and Human Services and the 36 Department of Transportation shall work together to develop strategies and methods 37 for assisting low-wage workers receiving Work First Assistance in obtaining 38 dependenable, ongoing transportation to and from work, child care services, and The Department of Health and Human Services and the 39 education activities. 40 Department of Transportation shall jointly report on the development and 41 implementation of these strategies and methods no later than May 1, 2000. 42 report shall be made to the Joint Legislative Public Assistance Committee and to 43 members of the House of Representatives Appropriations Subcommittee on Health

- 1 and Human Services and the Senate Appropriations Committee on Health and 2 Human Services.
- Section 8. The Department of Health and Human Services shall amend 4 the North Carolina Temporary Assistance for Needy Families State Plan to include
- 5 and reflect changes to State law made by this act and any other act of the 1999
- 6 General Assembly.
- 7 Section 9. This act is effective when it becomes law.

House Bill 1243 Page 3

# VISITOR REGISTRATION SHEET

WELFARE REFORM	april 22,1999	
Name of Committee	Date	
VISITORS: PLEASE SIGN BELOW AN	ND RETURN TO COMMITTEE CLERK	
NAME	FIRM OR AGENCY AND ADDRESS	
Sover Schmidt	NC Justice Center	
Helen Linna	Meck. Co.	
Pan Samans	NC Social Services Consorts un avenan	tw/NC children
Roslin Savit	ne child Care Coaliters	
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# HOUSE WELFARE REFORM SUBCOMMITTEE

AGENDA MAY 19, 1999 8:30

**OPENING** 

REP. BEVERLY EARLE

**COMPARISON OF WELFARE REFORM BILLS - 1999** 

# HOUSE SUBCOMMITTEE ON WELFARE REFORM

#### **MINUTES**

MAY 19, 1999 8:30 a.m.

The first Subcommittee meeting of Welfare Reform was held on Wednesday, May 19, 1999 of the Legislative Office Building in Room 424 at 8:40 a.m. The following members were present: Chair, Representative Beverly Earle, Representative Alma Adams, and Representative Trudi Walend.

The purpose of this meeting was to discuss and compare the differences between the two House Bills. HB-1243 (Rep. Adams) and HB-1257 (Rep. Earle). A summary to compare the two bills was distributed to the members. (See Attachment I). The two bills don't change the structure of how the Work First Program works in North Carolina. But it does change some of the rules and requirements.

Sorien K. Schmidt from the North Carolina Justice and Community Development Center explained the differences between the two bills from a Federal point of view. She discussed in detail how some of these changes would result in a penalty from the Federal Government. Rep. Adams stated that it might be worth it, if it would help our two parent families. The biggest concern with the two bills was the Pay After Performance for Two Parent Families. A two-parent family is required to work 140 hours per month, in order to receive their pay. It was learned that two-parent families have more barriers than a single parent family. If a two-parent family does not met the requirements of the Federal Government they are penalized. This rule does not apply for a single parent family. Rep. Adams suggested that if this is a good rule, it should apply to single parent families also. Rep. Earle stated that we need something in this bill to encourage families to work, but at the same time provide a safety net for some of these barriers that the two-parent families are facing.

The Committee was waiting to hear from the Department on the study of where some of the recipients are. They are going off welfare, but we do not know how they are maintaining. It is known that some of them are not moving into good jobs.

There were a lot of questions raised, with no answers. No one from the Department was present for the meeting. Rep. Walend suggested that the members of the committee gather all their questions, schedule another meeting, with someone from the Department present to answer the questions. The Chair, Rep. Earle agreed, another meeting was scheduled, and the meeting adjourned at 9:40 a.m.

House Subcommittee on Welfare Reform Minutes May 19, 1999 Page Two

Respectfully submitted,

Presiding Chair, Representative Beverly Earle

Ann Raeford, Committee Clerk

Attachment I

Agenda

Attachment II

Comparison of Welfare Reform Bills - 1999

Attachment III Visitor Registration

# **COMPARISON OF WELFARE REFORM BILLS - 1999**

Welfare Reform Information Network Contact: Sorien K. Schmidt

wrin@ncjustice.org 919-856-2151

	Welfare Reform Changes HB 1257 Earle & Alexander SB: 1134 Bill Martin	Welfare Reform Changes HB 1243 Adams
Maintain Standard of Need	Same in All Bills	Same In All Bills
Pay After Performance for	Pay After Performance will not	Pay after Performance will not be
Two Parent Families	apply to two parent families for	applied to two parent families at
	the first three months they are	all. Standard Counties only.
	eligible for assistance. Standard	
	Counties only.	
Two Year Time Limit	After a family uses their full two	Neither the State nor the Electing
The state of the s	year time limit they would have	Counties could implement any
	to wait 18 months before	time limits other than the
	reapplying for assistance instead	required federal five-year lifetime
	of the current 36 months.	limit.
March March March State	Standard Counties only.	
Review Cases 3 Months Before	All counties must review all	Not in this bill.
End of Time Limit	cases at least by the time they are	
	three months before the end of	
	their time limit.	Not in this bill.
Biennial Review of Electing	Each biennium HHS must review	Not in this on.
County Programs	each electing county Work First program and report to the	
The state of the s	General Assembly on the	
The state of the s	county's progress and whether it	
	should remain electing.	
Post-Secondary Education	Not in these bills.	Up to 20% of Work First
Allowed as a Work Activity	- 100 <b></b>	recipients can participate in part
The state of the s		time post-secondary education in
		order to meet their work
The second secon		requirement.
HHS and DOT Report on	Not in these bills.	HHS and DOT must develop
Transportation Strategies for		strategies and methods for
Low-Wage Workers		assistance low-wage workers to
		receive dependable and ongoing
		transportation to work, education
		and child care.

# WELFARE REFORM CHANGES

HB 1257 Sponsors: Beverly Earle and Martha Alexander

SB 1134 Sponsors: Bill Martin and Jeanne Lucas

Velfare Reform Information Network

ontact: Sorien K. Schmidt

wrin@ncjustice.org 919-856-2151

#### **BACKGROUND:**

These two identical bills do not change the structure of North Carolina's Work First program in electing or standard counties. These bills do change selected rules and requirements to better reflect legislators' understanding of the situation faced by poor families in the new welfare system.

# **KEY POINTS:**

# 1. Maintain the Standard of Need

Current Law: The Standard of Need is a technical term for the maximum income a family can have and still qualify for assistance. This amount was last set by the General Assembly in 1990. HHS intends to cut this amount in half in the next few months. Under the current standard of need, a family of three can have a maximum income of \$544 per month and qualify for Work First Assistance. This is less than one half of the federal poverty level. Once HHS cuts this in half, however, the same family of three will be cut off of cash assistance when their income reaches \$272 per month, less than one quarter of federal poverty level.

Impact of This Bill: This bill would maintain the current Standard of Need or maximum eligibility level so families can continue to get Work First cash assistance until they reach approximately one half of federal poverty level.

# Why Pass This Provision:

- ♦ The closer the family's income is to poverty level when they go off the Work First roles, the more likely they are to be stable and able to stay off the roles.
- There is no justification for making this cut given the availability of Work First/TANF funds due to the 50% decrease in the Work First caseload.
- If HHS is allowed to cut the Standard of Need in half, then hundreds, perhaps thousands, of families will lose assistance when their circumstances have not improved in the slightest.

# 2. Two-Parent Families Get Three Months of Benefits Before Pay-After-Performance Applies

<u>Current Law:</u> Pay-after-Performance requires families to meet their full 140 hours per month work requirement before they can get any Work First assistance. In other words the family can get no cash or transportation assistance until they prove they have worked the full work requirement. North Carolina has applied this policy to all two-parent families since March 1998. This policy does not apply to single parent families. If the family is short even one work hour in a month they will not get any assistance. There are no good cause exceptions to meeting the full work requirement. If the family needs transportation assistance in order to work, they cannot receive it until after they work the full 140 hours in a month.

<u>Impact of This Bill:</u> This bill would allow all two-parent families to get three months of Work First assistance before the pay-after-performance policy is applied. This way, two-parent families would get three months of help in obtaining employment so they can meet the pay-after-performance requirement when it applies to them. Why Pass This Provision:

- ♦ The current rule punishes two parent families for staying together. North Carolina Work First policy should not treat two parent families more harshly than single parent families.
- ♦ The current rules put two parent families in a no win situation. When the family cannot meet the work requirement because they need transportation or cash assistance in order to get employment, they will not be provided this assistance until they get employment. Families in this no win situation are forced to split up or go off the rolls.
  - Given that funds have remained stable while rolls have gone down, North Carolina has an opportunity to help these families with the assistance they need to become employed and self-sufficient, rather than arbitrarily denying them assistance.

# 3. Ineligibility Period After the Two-Year Time Limit Is Shortened from 36 Months to 18 Months.

Current Law: All families are subject to a federal five-year lifetime limit to receive Work First assistance. In addition, many families are also subject to a state set two-year time limit. Under the state two-year time limit, a family can receive Work First assistance for two years and then must go off the program for thirty-six months (three years) before they can reapply. In limited circumstances a family can get some additional months of benefits during the three year ineligibility period, as decided on a case by case basis.

Impact of This Bill: This bill would shorten the ineligibility period from thirty-six months to eighteen months. Why Pass This Provision:

- Experience is showing that families are not coming back onto the Work First rolls quickly. Once they leave they are staying off. Therefore there is no reason to force them to stay off when they may truly need help to support their children.
- ♦ There is no reason to arbitrarily force families to stay off the rolls for three years and such a long period is more likely to put the family and children at risk for abuse and neglect.

# 4. Review All Cases Three Months Before They Reach the End of Their Time Limit.

<u>Current Law:</u> Currently there is no law or rule that counties must review all cases before their time limit ends. <u>Impact of This Bill:</u> All electing and standard counties would be required to review every case no later than three months before the family reaches the end of their time limit in order to:

- a. Ensure that the time limits on assistance have been computed correctly;
- b. Ensure the family is informed in writing about public assistance benefits for which the family is eligible while cash assistance is no longer available;
- c. Provide an extension of cash assistance if the family qualifies for one; and
- d. Review the family status and assist them in identifying resources and support they need to maintain employment and family stability.

# Vhy Pass This Provision:

- ◆ To make sure the agency ensures that all of the rules have been applied properly and the time limit calculated correctly.
- ♦ Many families who have left the Work First rolls have also dropped off the Medicaid and food stamp rolls even though they still needed and qualified for this assistance. This review is one step to help inform them of their eligibility for other types of assistance.
- To ensure counseling is provided to families who are about to forcibly lose their assistance.

# 5. Biennial Review of Electing County Programs.

Current Law: There is no requirement that counties experimenting with total control over their welfare policy, known as electing counties, be reviewed on a periodic schedule to determine if they continue to require electing county status and how their experimental policies and programs effect the citizens they serve.

Impact of this Bill: Every two years HHS would submit to the General Assembly a review of the Work First Program in each electing county and recommend whether the county should continue to be designated electing. In its review HHS must: (1) examine results of the evaluation of that county (such evaluation is required of every county); (2) determine whether the county's programs and policies are unique and innovative; and (3) determine whether the county could conduct their same policies and programs as a standard county.

Why Pass This Provision: These pilots of total county control over a welfare program are the only ones of their kind in the country and should be regularly evaluated and monitored for success or failures. A regular report to the General Assembly will uncover new and innovative programs that should be replicated in other counties. It will also reveal a county that is not meeting its goals or the requirements of federal and state law and rules so it can be corrected or ended.

# WELFARE REFORM CHANGES

HB 1243 Sponsor: Alma Adams

Welfare Reform Information Network Contact: Sorien K. Schmidt wrin@ncjustice.org 919-856-2151

# BACKGROUND:

This bill does not change the structure of North Carolina's Work First program in electing or standard counties. The bill does change selected rules and requirements to better reflect legislators' understanding of the situation faced by poor families in the new welfare system.

# **KEY POINTS:**

# 1. Maintain the Standard of Need

<u>Current Law:</u> The Standard of Need is a technical term for the maximum income a family can have and still qualify for assistance. This amount was last set by the General Assembly in 1990. A family of three can have a maximum income of \$544 per month and qualify for Work First Assistance. This is less than one half of the federal poverty level. HHS intends to cut this amount in half in the next few months. In other words, a family of three will soon be cut off of cash assistance when their income reaches \$272 per month, less than one quarter of federal poverty level.

<u>Impact of this Bill</u>: This bill would maintain the current Standard of Need or maximum eligibility level so families can continue to get Work First cash assistance until they reach approximately one half of federal poverty level.

# Why Pass this Bill's Provision:

- ♦ The closer the family's income is to poverty level when they go off the Work First roles, the more likely they are to be stable and able to stay off the roles.
- There is no justification for making this cut given the availability of Work First/TANF funds due to the 50% decrease in the Work First caseload.
- If HHS is allowed to cut the Standard of Need in half, then hundreds, perhaps thousands, of families will lose assistance when their circumstances have not improved.

# 2. Two-Parent Families Will Not Be Subject to Pay-After-Performance Requirement.

<u>Current Law:</u> Pay-after-Performance requires families to meet their full 140 hours per month work requirement before they can get any Work First assistance. In other words, the family can get no cash or transportation assistance until they prove they have worked the full work requirement. North Carolina applies this policy to all two-parent families, but not to single parent families. If the family is short even one work hour in a month they will not get any assistance. There are no good cause exceptions to meeting the full work requirement. If the family needs transportation assistance in order to work, they cannot receive it until *after* they work a full 140 hours in a month.

Impact of this Bill: This bill would prohibit the state from implementing pay-after-performance for two-parent families, making two parent families' work requirements the same as single parent families. Why Pass This Bill's Provision?:

- ◆ Pay-after-performance punishes two parent families for staying together. North Carolina Work First policy should not treat two parent families more harshly than single parent families. Since this rule was implemented the number or two parent families on the roles went from 1700 to about 200
- ♦ The current rules puts two parent families in a no win situation. When the family cannot meet the work requirement because they need transportation or cash assistance in order to get employment, they will not be provided either type of assistance until they get employment. This creates an impossible to meet requirement that either forces the family off the rolls or the parents to split up.
  - Given that funds have remained stable while rolls have gone down, North Carolina should be trying to help these families with the assistance they need to become employed and self-sufficient, rather than arbitrarily denving them assistance.

# 3. Non-federally Required Time Limits Are Prohibited in Standard and Electing Counties.

Current Law: All families are subject to a federal five-year lifetime limit to receive Work First assistance. In Idition, many families in Standard Counties are also subject to a state set two-year time limit. Under the state wo-year time limit, a family can receive Work First assistance for two years and then must go off the program for thirty-six months (three years) before they can reapply. In limited circumstances a family can get some additional months of benefits during the three year ineligibility period, as decided on a case by case basis. Each Electing County can set its own time limit policy and all maintain the state two-year limit or something shorter. Impact of This Bill: This bill would eliminate the state two-year time limit and prohibit the State and Electing counties from implementing any time limits other than the federally required five-year lifetime limit. Why Pass This Provision:

- ♦ There is no reason to arbitrarily force families to go off the rolls within two years when they may not be financially stable or able to leave at that time. Assistance should be continued as appropriate for the family's individual circumstances, so they are more likely to be stable and stay off of assistance once they leave.
- ♦ The average time a family stays on Work First is only seven months. Therefore, there is no need to implement a complicated state time limit in addition to the federal time limit. This not only adds to the rules and calculations, but also is unclear and confusing to explain to recipients and the public.

# 4. Work First Recipients Can Participate in Post-Secondary Education as a Work Activity.

<u>Current Law</u>: No welfare recipients can participate in post-secondary education and have it count toward their work requirement. A limited number of recipients are allowed to participate in vocational education, GED programs, or high school. If they attend community college or other post-secondary program they must do it in addition to their 35 hours per week work requirement.

Impact of This Bill: This bill would allow as many as 20% of Work First recipients to meet their work equirements by attending post-secondary education programs at least part-time. This will mean they can continue to receive Work First assistance while furthering their education and their employability. Why Pass This Provision:

- Higher education is a proven path to better employment paying higher wages that can truly support a family.
- North Carolina is having no problem meeting the federal work quotas, and so we have the flexibility and opportunity to expand our definition of what meets a work requirement without fearing there will be negative federal implications.
- ♦ Many county welfare plans cited lack of education and job skills as a primary barrier to Work First recipients leaving welfare for work.

# 5. NC HHS and the Department of Transportation to Develop Strategies for Providing Transportation to Low-Wage Workers.

Impact of this Bill: To encourage Health and Human Services and the Department of Transportation to come up with some concrete strategies and methods for addressing the difficult issue of providing transportation for low-wage workers to and from work, education, child care and home.

# Why Pass This Provision:

- ♦ Difficulty with transportation was identified in all 100 county welfare plans as one of the major obstacles preventing poor families from finding and keeping employment.
- ♦ Transportation issues require the efforts of at least these two agencies to address due to their breadth and difficult nature.

# VISITOR REGISTRATION SHEET WELFARE REFORM Name of Committee VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK FIRM OR AGENCY AND ADDRESS **NAME**

# HOUSE WELFARE REFORM

AGENDA MAY 20, 1999 .12:00 P.M.

**OPENING** 

REP. BEVERLY EARLE

**PRESENTATION** 

PHEON BEAL

WORK FIRST EXITERS PROGRAM

# HOUSE WELFARE REFORM

# MINUTES MAY 20, 1999 12:00

The North Carolina House Welfare Reform Committee met on May 20, 1999, at 12:00 p.m. in Room 415 of the Legislative Office Building. The following members were present: Co-Chairs, Representative Beverly Earle and Representative Stan Fox, Representative Alma Adams, Vice-Chair, Representative Martha Alexander, Larry Womble, and Trudi Walend.

# Welcome

Representative Beverly Earle called the meeting to order by recognizing our Pages for the day, and by giving a brief introduction of Ms Pheon Beal.

# **Presentation**

Pheon Beal, Chief of Economic Independence Section with the State Division of Social Services, was asked by the Committee to come back with information that was requested on where some of the recipients have moved on to, that is no longer receiving benefits. The Committee had some concerns as to what kind of jobs they are currently employed in.

Ms Beal, explained in details how they are tracking all Work First participates who enter and leave Work First, beginning as of February, 1995. The University of North Carolina, who is under contract with the Department, is building the database, which has over 200,000 individual families. This information is based on the Latitude Employment Security Commission and information from the DataBase. Unemployment Insurance, or UI data. With the data collected, the Department will not be able to tell the exact hourly wage, nor the number of the number of hours worked by individual clients based on the Employment Security Commission data. The reason for that, even though this is the best information, the way the system is designed currently we only know if the individual who made a certain amount of dollars during a quarter. Some of the wages may have been from an hour of work, a day of work, or a weeks work. This is only collected on quarterly bases. It's recorded quarterly by the employers. We are finding that the majority of the families are leaving welfare for work. Of the 41,622 people who left cash assistance, 12 months later, we have found that 35,603 (86%) have earnings, and 6,019 (14%) show no earnings. The presentation also included a Standard Industrial Classification Data for Work First Exiters Program Year 1996-1997 with Post Earnings (See Attachment II), which shows the types of jobs individuals are placed in. Nearing time for adjournment. Ms Beal concluded with information on earnings of families 12 months

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after Work First, based on the number of members per family. She explained how the benefits of families' change based on the earnings. She stated that Welfare Reform in working for the majority of people who are easy to place in jobs. However there are some barriers in the system that make it difficult for families to sustain themselves economically. Two of the main barriers are Transportation and Housing. For a sufficient number of families, who go to work, if they don't get additional skills, and don't get a high school diploma, there is only a certain income they will ever be able to make. With the labor market the way it is today, without a high school diploma, the likelihood that you will make anything above minimum wage is **low**. The meeting ended with questions and comments.

It was announced by the Co-Chair, Rep. Beverly Earle that a Public Hearing would be held on June 8, 1999 in the Legislative Auditorium.

# **Adjournment**

The meeting adjourned at 12:45 p.m.

Respectfully submitted,

residing, Co-Chair, Representative Beverly Earle

Ann Raeford, Committee Clerk

Attachment I

Agenda

Attachment II

Work First Exiters Program Year 1996-1997

With and Without Post Earnings

Attachment III

Visitor Registration

Ment 20, 19

Work First Exiters Program Year 1996 - 1997 1 With and Without Post Earnings

			No Earnings	UI System 4	%	14%
Work First Exiters <sup>2</sup> gram Year 1996 - 1997	Z	41,622	Exiters with No Earnings	Found in the UI System 4	Z	6,019
Work First Exiters <sup>2</sup> Program Year 1996 - 1997		41,	Exiters with Earnings	Found in the UI System <sup>3</sup>	%	%98
			Exiters wit	Found in the	Z	35,603

Program Year 1996 - 1997 is the time period from July 1, 1996 through June 30, 1997.

Ottachment I

<sup>&</sup>lt;sup>2</sup> Exiters are those individuals identified by DSS as being a Work First exiter.

The following methodology was utilized to obtain post earnings data for work first exiters. DSS identified the SSN and exit date of each of their exiters. The exit date quarter were searched for the existence of earnings data for each exiter. Earnings data for each of the four quarters were summed for each unique SSN. If an individual was utilized to determine an exit quarter. The SSNs and corresponding exit quarters were utilized in a search of the CFS wage file. The four quarters following the exit nad earnings in any of the four searched quarters, they wer counted as having earnings. Earnings in the CFS wage file is that information reported by employers and ncludes wages, salaries, bonus', commissions and other income designated as earnings under the North Carolina Employment Security Law.

hose no longer in the work force and others with earnings not covered by the North Carolina Employment Security Law. The number of exiters with no earnings found was determined by searching the four quarters following the exit quarter for the existence of earnings data for each exiter. If earnings were not found for an individal in Those exiters with no earnings found include the unemployed, the self-employed, those with earnings in other states, those enrolled in other educational programs, all four of those quarters they were added to the no earnings found count.

One Year Post Earnings Summary Data for Program Year 1996 - 1997 Work First Exiters

			IA	ALL			·
Z	Mean	Minimum	Q1	Median	63	Maximum	SD
35,603	\$ 8,590.89	\$ 2.00	\$ 3,419.00	\$ 7,634.00	\$12,264.00	\$408,176.00	. \$ 6,932.39

			Less Than	Less Than \$100,000	.:		
Z	Mean	Minimum	Q1	Median	Q3	Maximum	SD
35,600	\$ 8,572.27	\$ 2.00	\$ 3,419.00	\$ 7,632.50	\$12,263.00	\$74,621.00	\$ 6,522.57

## Standard Industrial Classification (SIC) Data for Work First Exiters Program Year 1996 -1997 <sup>1</sup> with Post Earnings

Work First Exiters	Work First Exiters During Program Year 1996 - 1997	2
SIC CODES	Work First Exiters Program Year 96-97 With Post Earnings SIC Data <sup>3</sup>	rogram Year 96-97 Earnings ata <sup>3</sup>
•	Z	%
Total	35,603 10	
Agriculture, Forestry and Fishing	355	<1%
Mining	∞	<1%
Construction	1,279	4%
Manufacturing	6,804	19%
Transportation and Public Utilities	219	2%
Wholesale Trade	952	3%
Retail Trade	9,621	27%
Finance, Insurance and Real Estate	689	2%
Services	13,929	, 39%
Public Administration	504	1%
Non Classifiable Establishments	785	2%

Program Year 1996 - 1997 is the time period from July 1, 1996 through June 30, 1997.

Exiters are those individuals identified by DSS as being a Work First exiter.

<sup>3</sup> The following methodology was utilized to obtain the SIC data for the exiters with post earnings. The SSN and exit date of each exiter were identified by DSS. The exit date was individual SSN had the highest reported earnings was determined. The percentage of the highest reported earnings SIC was calculated by taking the counts of the highest reported utilized to determine an exit quarter. The four quarters following the exit quarter were searched for the existence of earnings data for each exiter. If an individual was found to have any reported earnings, a sum of the total reported earnings across the four searched quarters was calculated for each SSN by SIC code. The SIC code in which each earnings SIC and dividing it by the total number of exiters with earnings.

Standard Industrial Classification (SIC) Data for Work First Exiters Program Year 1996 - 1997 <sup>1</sup> with Post Earnings

				Work First Exiters	Exiters
				Program Year 96-97	ır 96-97
				With Post Earnings	arnings
	INDUSTRY		INDUSTRY	SIC Data <sup>2,3</sup>	a <sup>2,3</sup>
				Z	%
SIC		Two Digit SIC	TOTAL	35,603	100.00%
∢	AGRICULTURE FORESTRY AND FISHING	10	AGRICULTURAL PRODUCTION - CROPS	91	0.26%
		02	AGRICULTURAL PRODUC - LIVESTOCK	101	0.28%
		07	AGRICULTURAL SERVICES	167	0.47%
		80	FORESTRY	2	0.01%
		60	FISHING, HUNTING & TRAPPING	1	0.00%
В.	Mining	01	METAL MINING	0	0.00%
		12	COAL MINING	0	0.00%
		13	OIL AND GAS EXTRACTION		0.00%
		14	NONMETALLIC MINERALS, EXCEPT FUELS	7	0.02%
၁	Construction	15	GENERAL BUILDING CONTRACTORS	370	1.04%
-		16	HEAVY CONSTRUCTION EXCEPT BUILDING	177	0.50%
		17	SPECIAL TRADE CONTRACTORS	758	2.13%
Ω	Manufacturing	20	FOOD AND KINDRED PRODUCTS	818	2.30%
		21	TOBACCO PRODUCTS	151	0.42%
<del></del>		22	TEXTILE MILL PRODUCTS	1,949	5.47%
		23	APPAREL & OTHER TEXTILE PRODUCTS	882	2.48%
,		24	LUMBER & WOOD PRODUCTS EXCEPT FURNITURE	298	0.84%
		25	FURNITURE AND FIXTURES	280	1.63%
		56	PAPER AND ALLIED PRODUCTS	100	0.28%
		27	PRINTING, PUBLISHING & ALLIED INDUSTRIES	210	0.59%
		28	CHEMICALS AND ALLIED PRODUCTS	178	0.50%
		29	PETROLEUM AND COAL PRODUCTS	2	0.01%
		30	RUBBER AND MISCELLANEOUS PLASTIC PRODUCTS	305	0.86%
		31	LEATHER AND LEATHER PRODUCTS	25	0.07%
		32	STONE, CLAY, AND GLASS PRODUCTS	146	0.41%
		33	PRIMARY METAL INDUSTRIES	72	0.20%
		34	FABRICATED METAL PRODUCTS	271	0.76%
		35	INDUSTRIAL MACHINERY AND EQUIPMENT	259	0.73%
		36	ELECTRONIC & OTHER ELECTRIC EQUIPMENT	382	1.07%
		37	TRANSPORTATION EQUIPMENT	141	0.40%
		38	INSTRUMENTS AND RELATED PRODUCTS	93	0.26%
		39	MISCELLANEOUS MANUFACTURING INDUSTRIES	83	0.23%

Standard Industrial Classification (SIC) Data for Work First Exiters Program Year 1996 - 1997 <sup>1</sup> with Post Earnings

				Work First Exiters	Exiters
				Program Year 96-97	ar 96-97
	INDUSTRY		INDUSTRY	With Post Earnings SIC Data 2.3	arnings a <sup>2,3</sup>
					ı
				Z	%
SIC		Two Digit SIC	TOTAL	35,603	100.00%
田	Transportation and Public Utilities	40	RAILROAD TRANSPORTATION	0	0.00%
		41	LOCAL/INTERURBAN PASSENGER TRANS.	84	0.24%
		42	TRUCKING AND WAREHOUSING	340	0.95%
		43	U.S. POSTAL SERVICE	26	0.07%
,		44	WATER TRANSPORTATION	6	0.03%
•		45	TRANSPORTATION BY AIR	2	0.18%
		46	PIPELINES, EXCEPT NATURAL GAS	0	0.00%
		47	TRANSPORTATION SERVICES	48	0.13%
		48	COMMUNICATIONS	6	0.27%
		46	ELECTRIC, GAS & SANITARY SERVICES	29	0.08%
ഥ	Wholesale Trade	50	WHOLESALE TRADE-DURABLE GOODS	482	1.35%
		51	WHOLESALE TRADE-NONDURABLE GOODS	495	1.39%
Ŋ	Retail Trade	52	BUILDING MATERIAL/GARDEN SUPPLIES	6/1	0.50%
		53	GENERAL MERCHANDISE STORES	1,174	3.30%
		54	FOOD STORES	1,647	4.63%
		55	AUTO DEALERS AND SERVICE STATIONS	209	1.70%
		26	APPAREL AND ACCESSORY STORES	289	0.81%
		57	FURNITURE/HOME FURNISHING STORES	222	0.62%
		28	EATING AND DRINKING PLACES	5,045	14.17%
		59	MISCELLANEOUS RETAIL	209	1.70%
H	Finance, Insurance and Real Estate	09	DEPOSITORY INSTITUTIONS	235	9990
		19	NONDEPOSITORY INSTITUTIONS	91	0.21%
		62	SECURITY & COMMODITY BROKERS	&	0.02%
		63	INSURANCE CARRIERS	124	0.35%
		\$	INSURANCE AGENTS/BROKERS/SERVICE	37	0.10%
		65	REAL ESTATE	229	0.64%
		67	HOLDING/OTHER INVESTMENT OFFICES	5	0.01%

Standard Industrial Classification (SIC) Data for Work First Exiters Program Year 1996 - 1997 <sup>1</sup> with Post Earnings

	INDUSTRY		INDUSTRY	Work First Exiters Program Year 96-97 With Post Earnings SIC Data 2.3	3xiters r 96-97 arnings
				Z	%
SIC		Two Digit SIC	TOTAL	35,603	100.00%
I	Services	70.	HOTELS AND OTHER LODGING PLACES	1,023	2.87%
		72	PERSONAL SERVICES	599	1.68%
		73	BUSINESS SERVICES	4,966	13.95%
		75	AUTO REPAIR, SERVICE, AND PARKING	166	0.47%
		9/	MISCELLANEOUS REPAIR SERVICES	46	0.13%
		78	MOTION PICTURES	73	0.21%
		79	AMUSEMENT AND RECREATION SERVICES	169	0.47%
		80	HEALTH SERVICES	3,588	10.08%
		81	LEGAL SERVICES	73	0.21%
		82	EDUCATIONAL SERVICES	1,280	3.60%
		83	SOCIAL SERVICES	1,864	5.24%
		84	MUSEUMS, BOTANICAL & ZOO. GARDENS	5	0.01%
		98	MEMBERSHIP ORGANIZATIONS	87	0.24%
		87	ENGINEERING & MANAGEMENT SERVICES	231	0.65%
		88	PRIVATE HOUSEHOLDS	<i>L</i> 9	0.19%
		68	MISCELLANEOUS SERVICES	. 1	0.00%
ſ	Public Administration	16	EXEC, LEGISL, & GEN GOV EXC FIN	436	1.22%
		92	JUSTICE, PUBLIC ORDER, AND SAFETY	-	0.00%
		93	PUBLIC FINANCE, TAX, & MONETARY	0	0.00%
		94	ADMINISTRATION. OF HUMAN RESOURCE PROGRAMS	4	0.01%
		95	ADMINISTRATION. OF ENV. QUALITY & HOUSING P.	31	0.09%
		96	ADMINISTRATION. OF ECONOMIC PROGRAMS	42	0.12%
		62	NATIONAL SECURITY & INTERNAL AFFAIRS	0	0.00%
¥	Non Classifiable Establishments	66	NONCLASSIFIABLE ESTABLISHMENTS	73	0.21%

Program Year 1996 - 1997 is the time period from July 1, 1996 through June 30, 1997.

<sup>2</sup> Exiters are those individuals identified by DSS as being a Work First exiter.

across the four searched quarters was calculated for each SSN by SIC code. The SIC code in which each individual SSN had the highest reported earnings of the highest reported earnings SIC and dividing it by the total number of exiters with earnings. quarter. The four quarters following the exit quarter were searched for the existence of earnings data for each exiter. If an individual was found to have any reported earnings, a sum of the total reported earnings 3 The following methodology was utilized to obtain the SIC data for the exiters with post earnings. The SSN and exit date of each exiter were identified by DSS. The exit date was utilized to determine an exit

# One Year Post Earnings Data for Program Year 1996 - 1997 1 Work First Exiters

		We	Work First Exiters During Program Year 1996 - 1997 <sup>2</sup>	rs During Pro	gram Year 19	196 - 1997 <sup>2</sup>				
Work First Exiters with Earnings Found in the UI System <sup>3</sup>	Exiters with Earnings Fin the UI System <sup>3</sup>	puno			Nun	iber of Quart	Number of Quarters of Earnings <sup>4</sup>	4 S <sub>2</sub>		
			4 Quarters of Earnings	f Earnings	3 Quarters of Earnings	f Earnings	2 Quarters of Earnings	f Earnings	1 Quarter of Earnings	Earnings .
Range	Z	%	Z	%	Z	%	Z	%	N	%
Total	35,603		21,292	%09	6,581	18%	4,465	13%	3,265	9%
\$ 0,001 - \$ 5,000	12,218	34%	2,019	17%	3,181	26%	3,810	31%	3,208	26%
\$ 5,001 - \$10,000	10,518	30%	7,311	40%	2,569	24%	593	%9	45	<1%
\$10,001 - \$15,000	7,540	21%	6,846	91%	642	%6	4	<1%	∞	<1%
\$15,001 - \$20,000	3,414	10%	3,263	%96	137	4%	13	<1%	1	<1%
\$20,001 - \$25,000	1,215	3%	1,180	%16	. 32	3%	2	<1%		<1%
\$25,001 - \$30,000	392	1%	382	%16	6	2%	1	<1%	0	%0
\$30,001 +	306	<1%	291	95%	11	4%	2	<1%	2	<1%

Program Year 1996 - 1997 is the time period from July 1, 1996 through June 30, 1997.

<sup>&</sup>lt;sup>2</sup> Exiters are those individuals identified by DSS as being a Work First exiter.

quarters were summed for each unique SSN. Earnings for all SSNs were collapsed into several ranges. Counts of the number of exiters whose earnings fell into each range were obtained. The percentage of exiters who fell and corresponding exit quarters were utilized in a search of the CFS wage file. The four quarters following the exit quarter were searched for the existence of earnings data for each exiter. Earnings data for each of the four 3 The following methodology was utilized to obtain post earnings data for work first exiters. DSS identified the SSN and exit date of each of their exiters. The exit date was utilized to determine an exit quarter. The SSNs within each range was calculated by taking the number of individuals who fell within the range and dividing that number by the total number of exiters with earnings. Earnings in the CFS wage file is that information reported by employers and includes wages, salaries, bonus', commissions and other income designated as earnings under the North Carolina Employment Security Law.

exiters within each range who had one and only one quarter of earnings by the total number of exiters in that range. This same procedure was utilized to determine the percentage of exiters in each range who had two, three <sup>4</sup> The number of exiters who had one quarter of earnings within each range was determined by summing the number of exiters in each range who had one and only one quarter of earnings. This same procedure was utilized to determine the number of exiters in each range who had two, three and four quarters of earnings. The percentage of exiters who had one quarter of earnings within each range was determined by dividing the number of and four quarters of earnings.

### Work First Exiters During Program Year 1996 - 1997 <sup>1</sup> with Post Earnings Number of Employers Data

		6 or More Employ	%	4	3		36	5	5	Ó	56
		6 or Moi	Z	1,381	399	632	256	56	24	0	14
		oyers	%	4%	4%	%9	4%	. 3%	2%	3%	<1%
		5 Employers	N	1,491	464	605	284	103	23	10	2
, 2	yers <sup>4</sup>	oyers	%	8%	7%	11%	8%	%9	2%	%9	2%
996 - 1997	Number of Employers	4 Employers	Z	2,963	806	1,132	613	506	99	23	15
m Year 1	Number	loyers	%	16%	15%	18%	17%	15%	14%	11%	13%
ng Progra	Work First Exiters During Program Year 1996 - 1997 <sup>2</sup> Number of Employe	3 Employers	N	5,800	1,887	1,879	1,267	518	166	43	40
iters Duri		loyers	%	28%	27%	28%	29%	31%	30%	29%	27%
k First Ex		2 Employers	N	10,080	3,319	2,958	2,193	1,052	361	115	82
Wor		loyer	%	39%	43%	31%	39%	43%	41%	51%	20%
·		1 Employer	N	13,888	5,241	3,312	2,927	1,479	575	201	153
	th.		%		34%	30%	21%	10%	3%	1%	<1%
	xiters with	system <sup>3</sup>	Z	35,603	12,218	10,518	7,540	3,414	1,215	392	306
,	Work First Exiters with Post Earnings Found	in the UI System			\$ 5,000	\$10,000	\$15,000	\$20,000	\$25,000	\$30,000	-
·	% I		Range	Total	\$ 0,001 - \$ 5,000	\$ 5,001 - \$10,000	\$10,001 - \$15,000	\$15,001 - \$20,000	\$20,001 - \$25,000	\$25,001 - \$30,000	\$30,001 +

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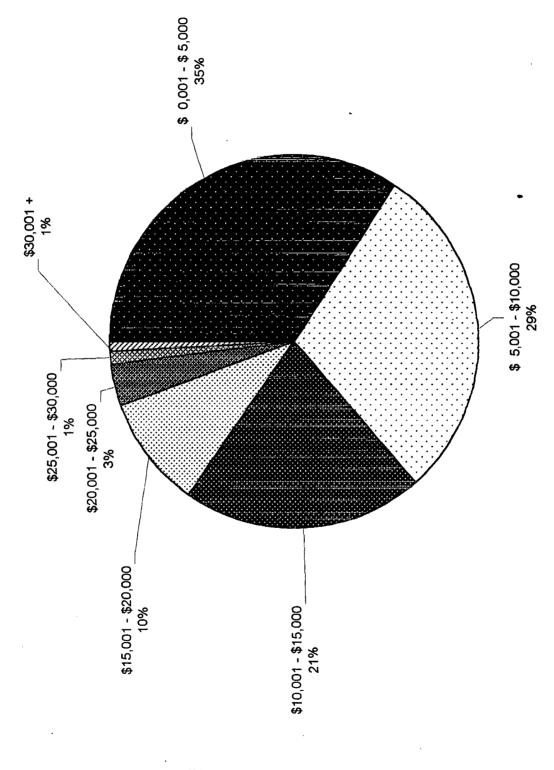
Program Year 1996 - 1997 is the time period from July 1, 1996 through June 30, 1997.

Exiters are those individuals identified by DSS as being a Work First exiter.

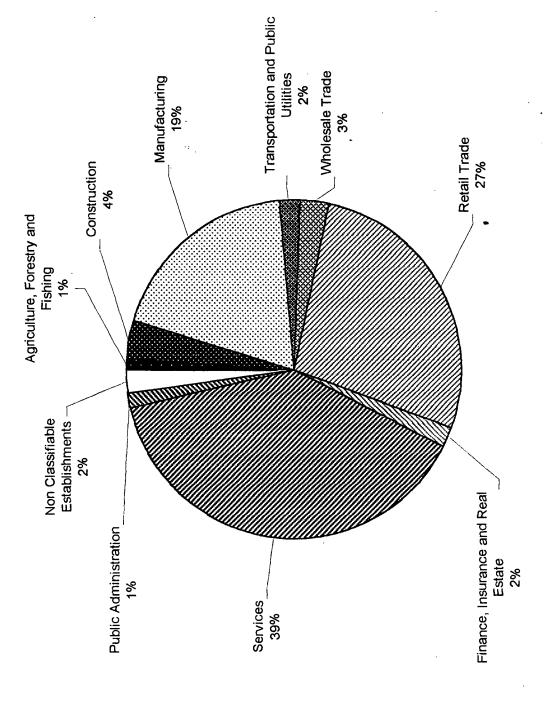
and corresponding exit quarters were utilized in a search of the CFS wage file. The four quarters following the exit quarter were searched for the existence of earnings data for each exiter. Earnings data for each of the four The percentage of exiters who fell 3 The following methodology was utilized to obtain post earnings data for work first exiters. DSS identified the SSN and exit date of each of their exiters. The exit date was utilized to determine an exit quarter. The SSNs within each range was calculated by taking the number of individuals who fell within the range and dividing that number by the total number of exiters with earnings. Earnings in the CFS wage file is that information quarters were summed for each unique SSN. Earnings for all SSNs were collapsed into several ranges. Counts of the number of exiters whose earnings fell into each range were obtained. reported by employers and includes wages, salaries, bonus', commissions and other income designated as earnings under the North Carolina Employment Security Law.

dividing the number of exiters within each range who had one and only one employer by the total number of exiters in that range. This same procedure was utilized to determine the percentage of exiters in each range who procedure was utilized to determine the number of exiters in each range who had two, three, four, five and six or more employers. The percentage of exiters who had one employer within each range was determined by \* The number of exiters who had one employer within each range was determined by summing the number of exiters in each range who had one and only one employer during the four searched quarters. This same had two, three, four, five and six or more employers.

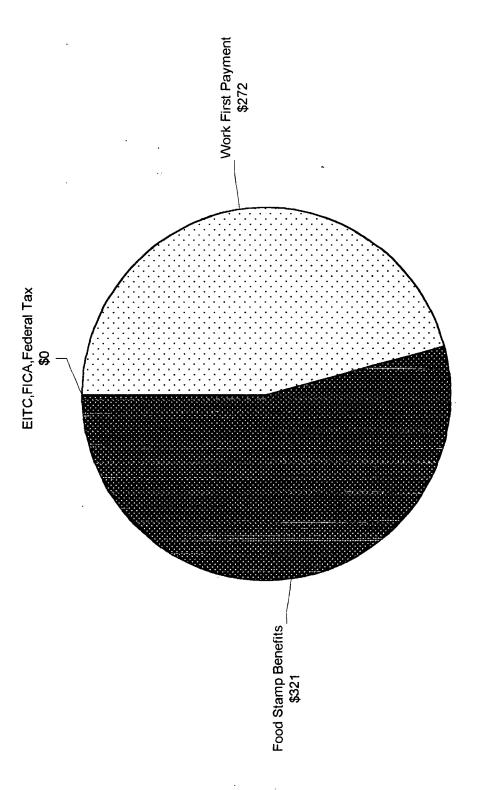
Earnings of Families 12 Months After Work First



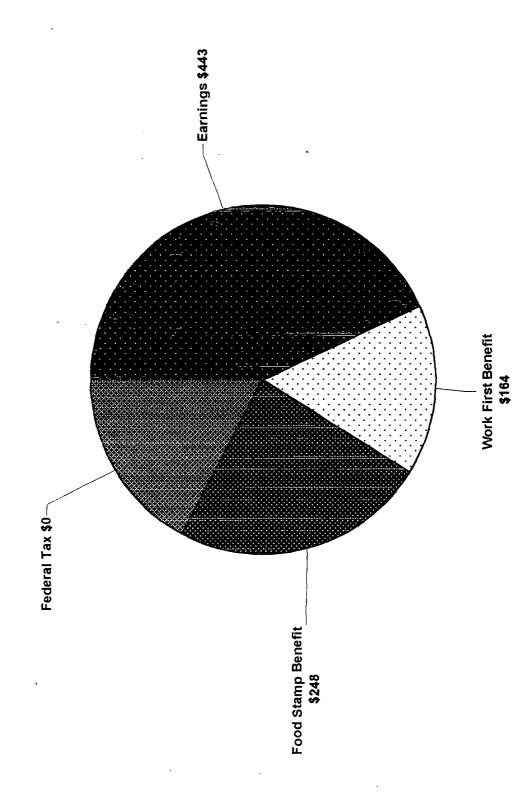
## **Employers 12 Months After Work First**



Work First Three Person Family With No Earnings

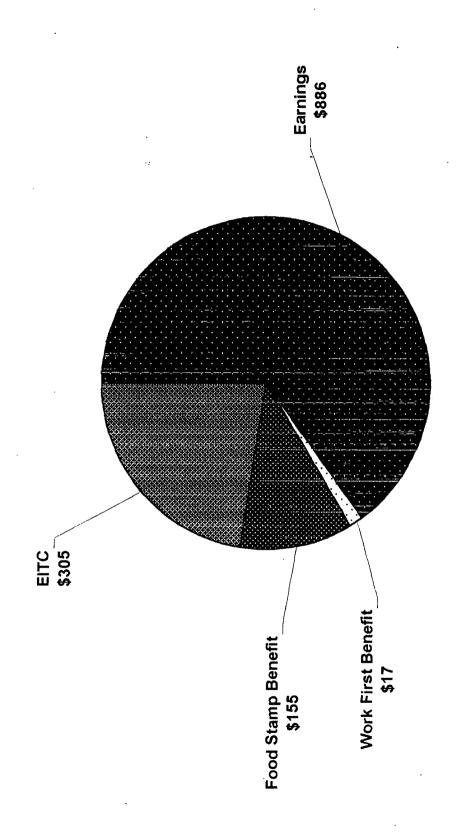


Work First Three Person Family Working 20 Hours Weekly Minimum Wage: Total Income \$1032\*



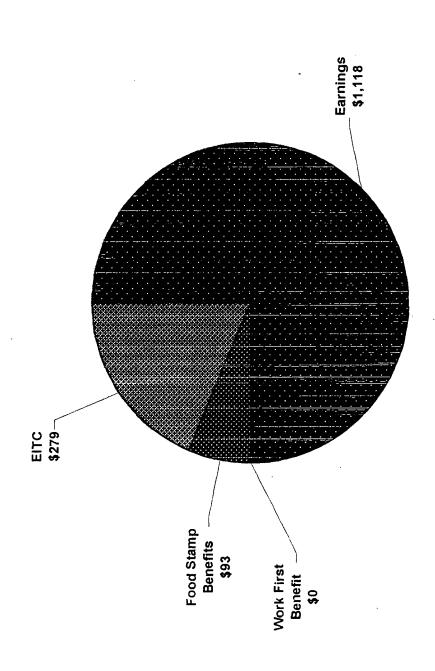
DSS/Economic Independence 3/2/99

Work First Three Person Family Working 40 Hours Weekly Minimum Wage: Total Income \$1,363\*



DSS/Economic Independence 3/2/99

Former Work First Family Working 40 Hours Weekly at \$6.50/Hr: Total Income \$1,490\*



### **VISITOR REGISTRATION SHEET**

Welfare Reform	5-20-99
Name of Committee	Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Ceared Ree 1	NC Course of Chan
Cinda Verteleville	Nuse of the Day
Jane Thook	WC ESC
Stran Schmidt	is Justice Contes
Sharrese Kanson	155
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### HOUSE WELFARE REFORM PUBLIC HEARING

### LEGISLATIVE AUDITORIUM JUNE 8, 1999

The North Carolina House Welfare Reform held a Public Hearing on June 8, 1999, in the Legislative Auditorium. The following members were present: Co-Chairs, Rep Beverly Earle and Representative Stan Fox; Representative Alma Adams, Vice Chair, Representative Larry Womble, and Trudi Walend.

Rep. Beverly Earle, Co-Chair, opened the Public Hearing by thanking everyone for coming. She then introduced herself, and gave way to other members' to do the same.

The purpose of the Hearing was to hear from recipients of the Work First Program. Each participate was asked to speak briefly for three minutes. They told of their experiences, and of the barriers they face day to day. (See Attachments for full content of testimonies from each participate). Everyone was given a chance to speak. No one was omitted.

At the end of the Hearing, Rep. Earle again thanked everyone for their participation, and assured them their testimonies would been taken into consideration for making changes to Welfare Reform.

The Hearing concluded at 3:45 p.m.

Respectfully submitted,

residing Co-Chair, Rep. Beverly Earle

Ann Raeford, Committee Clerk

Attachment I

Visitor Registration

Attachments Testimonies

June 8, 1999

Cathy Mills

219 Allen Rd. Lot 2

East Flat Rock, NC 28726

I want to thank the general assembly for allowing me to share some observations on the importance of education and on the role government plays in maintaining our belief in it. I used the welfare system to complete my college education. And believe it or not I am proud to say that. That should be what the system is for, to be used to pull oneself up.

I earned my B.A. at UNCA while in the JOBS program. I did it through hard work just like everyone else; waitressing part-time to support my two kids Jackie and James, my 4.0 earning me a \$1,000 scholarship my second year, taking advantage of every pell and need-based grant I could get and taking out student loans for the rest. In 1994 the JOBS program provided several supports that really made the difference, the most important in my case being childcare.

But first let me tell you who I am, and how I was raised. Mainly that my parents passed down to me the belief that education is the way to a happy and financially secure life. I am the daughter of a nurse and a civil engineer. There was never any question that I was going to go to college. I was constantly encouraged for my work, talked to about my future. All the things good parents do who want their kids to go to college because they truly believe it is a key to success in life. I remember my father driving me down from Houston to visit the University of Texas campus at Austin when I was twelve. We walked around campus and ate in the cafeteria. He made it real for me and encouraged me to dream big dreams. I am incredibly thankful for that trip and for my parents in general because their efforts gave me a life long love of learning. I now understand that the gift and the power of education is not primarily financial but lies in a better understanding of the world and my place in it.

Sounds like a recipe for success right? But life is seldom a straight line and a lot happened since that trip to Austin's campus. I let myself become pregnant in my very first year in college. I thought I couldn't deal with the label of single mom so I dropped out, got married, and took a secretarial job. This story could have ended just that way except that my husband was suffering from depression and alcoholism and tended to take it out on me verbally and occasionally physically. For years I lived in fear for my kid's futures. I didn't want them to have to see this. Two years after my daughter was born I had my son. Through all these years I would bring up the idea of going back to school but my husband would hear nothing of it. It took my father's death to reawaken my resolve. In March of '93 after battling congestive heart failure my father's condition was critical I went to his side at ICU and stayed with him 5 days before he went to be with the Lord. At his bedside I promised to get away from this cruel man I had married and go back to college. He whispered, "Don't do it for me kid, do it for yourself." That day I reaffirmed the promise I made to myself in Austin, Texas this time with a three year old and one year old baby. I got my divorce in Florida, moved up to Hendersonville, got a waitressing job, and applied for assistance to get daycare for my two preschoolers, and a pell grant to go to school.

So the values passed down from my parents placed in me the need to go to college but the JOBS program provided the physical supports that made it possible. Each played a critical part. I kept the determination despite the obstacles that were thrown in my path because I internalized their belief since I had seen it work for them. I became thoroughly engrossed in my studies and carried a 4.0 for the first two years. College provided the outside validation I needed to believe in my own abilities again. It brought me into contact with some of the most inspirational people there are, educators. I have met many women like me, single moms who have returned to school with a vengeance, some of the most driven students on campus. What started out as a purely practical plan of a quick associates degree in computers ended up bringing me back to life in a way and back to my old love for sociology.

For my senior research project I studied the high drop-out rates for African-Americans at a local high school. I was looking for signs of discrimination which I found without much searching. However, it was the *resilience* I saw in some of the kids that

deepened my understanding of the interrelated roles of family and government in our lives and how they each help determine which values we pass on to our children. There was really no great surprise that poor black kids in this city school were faced with discrimination and racism daily. But what I realized in speaking with these students was that those who were positive about their future had parents who pushed the importance of getting an education. They were hopeful and they were determined not only to graduate high school but to go on to college. One girl spent her time between classes and after school tutoring peers and youngsters at the local rec. center. As she said, "to prove I can make it." She had a determination to succeed... and to help others around her succeed as well. Who would think this teenager would already have in her a drive so strong towards education? Where did this RESOLVE come from in one so young. She was only 15 and had already faced more obstacles than I ever had. This belief in the efficacy of schooling is the belief in the equality of opportunity, a belief in the openness of the system without which hope is dead. There is no doubt in my mind that if this girl manages to realize her dream to go to NC State she will succeed and her children will grow up with these same values because they will be rooted in the reality of their mother's life experiences. Government can't do that.

Government however, has the opportunity and the ability to allow more individuals who have grown up with this belief in school to realize it or not. And therefore for the value in it to continue or not. I could very easily have stayed a secretary and never returned to college at all and I would have done my best for my kids anyway. But that value as passed from my parents would have died with me. I could try to retell it but it would not be rooted in my reality. Because of the JOBS program college did become a reality for me and for my children as well. They watched me write papers, study for tests, work with work being its own reward, for four years. They are seven and nine and already college is very real for them. Government shapes our values yes but only indirectly by shaping our opportunities.

We know parents hold the ultimate role in socializing their kids. What they have to pass down depends on what future we give to the parents now, so that they may have it to retell to their children. We fixate on the worst qualities of human nature and assign them to people as reasons why they don't succeed. Doesn't this ensure a negative future

for them, for their children, and in the long run for our country. Allowing people to go to school while enrolled on welfare is more than a practical equation. Does the money spent = getting off more quickly? Staying off more likely? These things though they may be true would be hard to prove. But we can't just think of it in these concrete terms.

In essence education inspires people. For people with low incomes it provides outside validation when everything else in society, media, tries to paint them as less. It gives them more than skills they can use to make money. It gives them hope that they pass on to their children and ultimately a continued belief in the just nature of our society.

### Welfare Reform Public Hearing

June 8, 1999

### **Testimony from**

### Dan Hudgins, Director, Durham County DSS

### Representing the

### **NC Association of County Directors of Social Services**

Thank you for the opportunity to provide input in the development of changes to the State's welfare reform laws. The NC Association of County Directors of Social Services has five (5) major issues to share:

- 1. <u>Maintain the Standard of Need</u>. Last year's welfare changes would allow the State to cut in half the maximum income a family can have and get Work First assistance. We support the proposal that requires the state to maintain the current income eligibility level and benefit calculation. To go to the payment standard installs a huge "cliff effect" for clients who are perhaps only working part-time jobs. If we are now concerned about what happens to clients after welfare, we need a smooth and easy transition. Taking away the need standard makes for an abrupt transition. It is a disincentive towards going to work and an incentive for a rebound back onto welfare.
- 2. We support the proposal to alter the <u>State's Pay-After-Performance policy</u> to require the State to provide three months of benefits to all two-parent families before pay-after-performance could be imposed. We believe that this supports marriage and gives two-parent families time to begin the process to find work.
- 3. We oppose efforts that allow the State to reduce its Maintenance of Effort. This change would allow the state to reduce the amount of state funds put toward Work First. Until the State is meeting all of it's TANF goals, no funding should be reduced.
- 4. <u>TANF funds must remain flexible for counties to meet local needs</u>. Counties have done an excellent job changing their systems from "eligibility focused" to "job focused" and we must continue to support counties' efforts to provide supportive employment services to help families become self-sufficient. We fully support allowing TANF moneys to be used to serve all families up to 200% of poverty level to meet the goals of Work First and to prevent families from going on cash assistance by providing necessary supportive employment services.

5. We believe that the State of North Carolina should back its commitment to protect its children from neglect and abuse with State funds that are solidly appropriated each year as a part of the fiscal infrastructure of the State Budget. We believe that it is appropriate to use TANF funds for child welfare-child protection services, such as those proposed by the Governor in his "Safe Kids Initiative". TANF funds are already used to provide Child Protection Services in North Carolina. TANF funds should be used in a structured way to preserve their original intent and purpose should there be an economic turndown or a Federal cut back in TANF funding.

### PROPOSAL:

- 1. We support the Governor's Child Welfare initiative including the use of TANF funds to accomplish it.
- 2. We think that a funding protocol for the use of TANF funds should be established as a legislative guide for the use of TANF funds. This protocol would set out priorities for the use of TANF funds when they are plentiful and in the event that there is a cut back. Those priorities should be:
- A. For family subsistence programs such as cash payments, emergency assistance, benefit diversion, financial support for employment, child care, and training activities.
- B. For Child Protective Services
- C. For Child Welfare, CPS related, in-home visitation and family preservation services.
- D. Other child, family related services.
- 3. As funds are available, their use can be expanded from A through D. As there is an economic downturn or if TANF gets cut by the Federal government, the use of TANF is contracted, taking funds away from "Other Child/Family related first, CPS next and finally cash payments as needed. This prioritization protects funding for family subsistence programs.

Finally, *thank you* for including the critically important <u>expansion of Transitional</u> <u>Medicaid to 24 months</u> for Work First moms in the House Budget. This is a critical part of the transition from welfare to work that should help many families maintain their employment.

My name is Scarlett Spicer-Bailey. Formally a welfare recipient, I am currently a sophomore at Wake Technical Community College and will be transferring to Barton College next Spring.

Statistics show that the Work First program has decreased general welfare participation. However, I am concerned about those individuals who no longer qualify for assistance and are limited to minimum wage salaries without a realistic opportunity to obtain a higher education.

Therefore, my Welfare Reform Proposal is as such:

That all Welfare participants should be required to attend an accredited college or university for a minimum length of two years in the state of North Carolina.

That all welfare participants attending an accredited college or university should maintain a GPA of 2.5 or higher or risk the revocation of their welfare benefits.

Those welfare participants who do not have the required GED or high school diploma must obtain this within an appropriate time frame prior to attending an accredited college or university.

During this suggested two year time frame, all expenses should be covered by welfare within reason. This includes necessary child care for school or work hours. This also includes rent fees and other necessary expenses required for a decent standard of living.

At the end of the two year time frame an individual should no longer be eligible for welfare assistance.

Once an individual is employed within the standards set by most loan and scholarship guidelines, that individual should be required to refund their educational fees to the state of North Carolina.

My arguments for this proposal are as such:

Poverty participation will decline in a healthy manner which is also beneficial to the North Carolina economy. This economic benefit would be the result of individuals reimbursing the government for educational expenses. In addition, an individual will have the opportunity to continue their education via traditional student loans, scholarships, and pell grants. Thus, North Carolina's citizens will be far better educated and trained.

The concern of welfare assistance abuse will be resolved in a more productive manner without negatively affecting those welfare participants who deserve government assistance and desire to better themselves and their families.

In addition, the monies presently spent by the government on welfare programs will not increase but gradually decrease due to the necessary cost of living expenses, education's close proximity to considered welfare costs, and the reimbursement of government educational expenses.

Further arrangements for education could eventually be made possible. For example, if North Carolina is in need for education's, then appropriate degree scholarships could be awarded to qualified welfare participants who pursue a major in education. This arrangement could also be applied to Sociology. For example, social workers...an understaffed field today. There are doubtless many other fields to which this hypothesis could be applied. As a final result, these positions will be filled as necessary by qualified individuals and a need for welfare assistance may decline.

In summary, by further integrating the current Work First program and a college education, I feel it would ultimately benefit all North Carolinians and our state economy.

### NC General Assembly-June 8, 1999 Public Hearing on Welfare and Work First

### "Becoming Economically Self-sufficient Takes More Than a Job" Karen Small, High Point, NC

An article in the *Charlotte Observer* on May 25th quoted Peter Leousis, assistant secretary for Human Services, as saying "We're pleased with the results, as far as they go. Folks are still making a poverty wage, but they're a lot better off than they were on welfare. What we need to do is build a system, not just for the families that go on welfare, but for families that are working and poor, so that they can progress up the economic ladder."

Peter Leousis is right. We do need to build a system that allows progress so that families can move towards economic self-sufficiency. While we have made some progress, widening economic inequality and increases in the proportion of children living in single parent families (26% in 1996) have pushed more children into poverty. Better than 30% of all black women in NC live in poverty compared with a little better than 10% of white women.

Poverty is a common risk. One-third of all children nationally will be poor for at least one year. For many, poverty lasts only a short while, but for a small percentage, poverty persists throughout childhood and into the adult years. In Guilford County alone, 38% of the school children qualify for free or reduced lunch. Children who live in short-term poverty fair better over all than those who are chronically impoverished. Children in the same families who experience poverty at different rates (and for different durations) fair differently than each other. The longer children are left in poverty, the greater the risks are for poor health, problems in schools, dropping out of school, high-risk behaviors and the likelihood that they will require federal and state help as adults.

### I am asking you to support the following welfare special provisions:

- · maintain the standard of need;
- let two-parent families get three months of benefits before pay-after-performance;
- require counties to review all cases for extensions three months before they reach the end
  of their time limit.

### I would also like to make several additional suggestions:

- 1) Reduce the time period between eligibility periods. This will help some families, especially those who are having the most difficulty maintaining employment and those with special needs.
- 2) Eliminate the two-year clock and only observe the federal time-clock or
- 3) Multi-track clients to meet specific educational goals, allowing more time for secondary education. Several states have done this and have met with good success.

- 4) Broaden the criteria for on-the-job training, making more grant money available to those who are capable of completing a course of higher study (technical school or a journeyman-type apprenticeship).
- 5) Target jobs that pay high wages but require minimal education. This will bring the employer on board through the governor's WTW program. Offer more tax incentives and use extra TANF dollars to subsidize pay, if necessary.
- 6) Use federal grant money to help communities build programs that will become selfsustaining, and help communities provide transportation to the job sites. Second and third shift daycare is still badly needed, as is sick-child care.
- 7) Most large agencies know about the federal grants that are available, but grant writing is a long tedious procedure. Many times deadlines cannot be met. Due to miscommunication, I have seen several agencies applying for the same money, lessening both parties' chances of receiving the funds they need. If there were to be some kind of coordinated effort (perhaps on the state level) to help communities apply for, and receive federal dollars, NC could save money.

I am asking for a more compassionate approach to families who are all ready at risk, an approach that will help, not harm the chance for true economic self-sufficiency.

Abraham Lincoln once said, "You cannot help men permanently by doing for them what they could and should do for themselves." This is a true statement, and one I agree with, but it is not one that should keep us from offering temporary help to those who need a hand up, not a hand out.

In High Point, women who move from assistance to work make on the average of \$6.24 an hour. In Greensboro they make \$6.44 an hour. The NC Equity's Sustainable Family Initiative says that a "woman with one child needs to make at least \$7.25 an hour" to be able to support herself and her child. It's easy to see that Guilford County falls short of achieving anything that even resembles self-sufficiency.

Please vote to change the Welfare to Work laws so that they will help families achieve the financial independence that most of them want. It's no different then what you want for yourself and your family – the opportunity to do a good job for a fair wage and to be able to support your family without government intervention. You can help make that a reality for many.

Karen Small 1103 Bales Chapel Rd. Jamestown NC 27282 (336) 841-3599

Karen Small is a citizen volunteer. The former coordinator of a GED/training program at the local urban ministry in High Point, Small is active in helping women achieve TRUE self-sufficiency.

Raleigh, North Carolina June 8, 1999

EMARKS on Welfare before the North Carolina House of Representatives

Andrew W. Dobelstein, Ph.D.

Professor, University of North Carolina, Chapel Hill, and President, Conference on Poverty, Inc.

Thank you for the opportunity to speak with you today about welfare in North Carolina. For the past 30 years I have taught welfare policy at the University of North Carolina, Chapel Hill School of Social Work, researched and written 7 books and over 40 articles on the subject, and for the past 12 years have been President of the Conference on poverty, a non-partisan organization that puts forth efforts to reduce poverty in our state and nation. Along with my friend and colleague, Dr. Leonard Beckum, of the Terry Sanford Institute of Public Policy at Duke University, I have been active in assisting the implementation of welfare reform, particularly in North Carolina during the past three years, and I would like to share our experiences with you about this process.

Two years ago the General Assembly finally legislated a contentious welfare reform initiative that proposed returning considerable welfare autonomy to our counties. This approach to welfare reform was based in part on an accumulation of information collected by the Conference on Poverty and other organizations that showed that county leaders were concerned about local social problems, but did not always see solutions to these problems in the same way as administrators in Washington or Raleigh saw them. More flexibility in the use of public funds was necessary to implement local solutions to welfare issues. This was a conclusion of the Z.Smith Reynolds \$ 5 Million Opportunities for Families (OFF) project. In many ways local flexibility has been the strategy behind Governor Hunt's acclaimed Smart Start program.

The 1996 Federal welfare reform made local flexibility possible, as did your 1997 welfare reform legislation, but the North Carolina Division of Social Services still has not implemented your legislation. Although 29 counties sought permission to operate their own welfare programs, under pervision of the Division of Social Service, and 27 completed legal plans to be able to do so, and last year you, the General Assembly, approved 21 counties to operate their own welfare programs,

the Division of Social Services still has not implemented your legislative mandates. In spite of the gislative struggles and compromises struck, in spite of the General Statutes you created, in spite of two years of planning and hours spent shaping plans in the Electing counties, the counties have not been given the funds nor the authority from the Division of Social Services to operate their programs. The federal and state welfare savings that were supposed to be returned to these Electing counties to re-invest in people, to insure that they stay economically independent when this wonderful period of economic prosperity begins to slow down, have been used by the Division of Social Services.

Because your welfare reform statutes have not been implemented in North Carolina, there is no way to tell whether allowing counties operate their own welfare programs was successful or not. Counties have not had the funds or authority to do what they said they wanted to do when they drew up their welfare plans almost two years ago. But based on the way counties went about welfare planning there appears reason to believe North Carolina's Electing county approach to welfare could be successful. Through the use of my students, and those of Dr. Beckum, and with some support from the Conference on Poverty, we completed six studies of how Electing counties responded to our 1997 Work First statute. A seventh study of New Hanover County was also conducted by Dr. at UNC Willington. A summary of these studies is included with these remarks. They show that counties took their planning responsibilities seriously, and involved leadership segments from the community that had little previous experience with welfare issues. The plans the counties developed were not extreme, either in the sanctions or rewards they proposed. The plans were innovative, however, in the use of welfare dollars. This research also underlies the fact that what the State thinks is important may have little significance in a particular county. For example, contrary to public opinion, day care and job training were not important factors for those who left the welfare roles in Chatham county. These studies, and other episodic information we have collected during the past two years, suggest that welfare reform that gives counties opportunity to spend their welfare dollars flexibly has an excellent chance of making the use of our public dollars more effective and more efficient.

There seems to be a public attitude that local policy makers are indifferent or insensitive to the needs of the poor in their communities, are likely to treat the poor in a punitive manner, and that the

state is the guardian of the welfare rights of the poor. Perhaps this may have been true in the past, at particularly in Eastern North Carolina counties we now have well informed and concerned persons in public and private leadership positions. Many of the state programs provided in our rural counties are out of touch with those they seek to serve. Based on the extensive experiences of the Conference on Poverty over the past several years it makes better sense for the state to use its resources to develop the potential of local leadership to create effective local responses to local problems, rather than insist that local leaders use programs that are designed for the entire state, programs that may not address the concerns local leaders are facing. The welfare reform statute you created in 1997, and re-affirmed in 1998, provides one opportunity for the development of home grown solutions to home grown problems. It is an opportunity not only for leadership development, but an opportunity to use welfare dollars for activities that may truly have long lasting benefits for the many in poverty in our state.

Thank you.

### North Carolina's Work First: welfare reform that's working

Governor Hunt's *Work First* program is putting welfare recipients to work-and protecting children. It's built on a foundation of personal responsibility: Welfare recipients are required to get a job- paid or unpaid- or be in short-term job training within 12 weeks. *Work First* mutual responsibility agreements require parents to make sure that their children get health care and attend school.

By the year 2000, every adult welfare recipient in North Carolina who is capable will be working or learning to work. So far, North Carolina's welfare rolls have declined over 53 percent- down from 113,485 families in June 1995 to 53,198 families in June 1999. More than 69,000 N.C. families have gotten jobs and gotten off welfare.

A parent with two children who gets a minimum wage job brings home at least 3 times more money than they did on welfare. Research shows that children do better in school and have a lower dropout rate when their families work and move off welfare, and it also shows that getting that first job is the most important step in getting a better job.

### Child Care

The single largest barrier to getting off welfare is a lack of child care. North Carolina is striving to eliminate this barrier so parents can work without having to worry about who is taking care of their children.

- Smart Start has helped more than 130,000 children get higher-quality child care. In 1997-98, 42% of all Smart Start funds statewide were spent on child care subsidies, helping children in low-income families many of them *Work First* families get the quality, affordable child care they need to stay in the workforce.
- Work First makes child care more affordable for families leaving welfare and for low-income working families. As of March 1999, almost half of the children in regulated child care settings receive subsidies, and the most of them are from families that make less than \$20,000 per year.

### **Jobs**

Job training and job opportunities are crucial to the success of Work First participants. The combined efforts of businesses, community colleges, and local organizations are helping Work First succeed.

- Almost 9,000 Work First participants have found jobs through the First Stop Employment Assistance Program which requires them to look for a job at the Employment Security Commission before they can qualify for a welfare check. Others are directed to job training and readiness programs.
- Under NC 'Helping Dads' initiative, local WorkForce Development Boards across the state will use federal welfare-to-work funds to link low-income, non-custodial fathers with job-seeking skills, on the job training, and jobs.
- NextSteps initiative increases the number of opportunities for people to get training in basic and occupational skills by expanding the Pathways to Employment programs to 22 community colleges. NextSteps also helps low-wage workers train for new jobs before they lose their old one.
- The Governor's *Work First* Business Council, an advisory group of 30 top business leaders, is encouraging all businesses to hire *Work First* participants and develop strategies to make sure they gave the support they need to succeed. Since the establishment of the Council in 1998, businesses have pledged to hire over 15,000 *Work First* participants.

### **Affordable Housing**

Affordable housing is a critical part of achieving economic self-sufficiency. In North Carolina, many low-income families either pay half their income for housing or live in substandard housing.

• NextSteps initiative targets affordable housing - increasing the supply of rental housing, especially in poor counties; helping families build wealth through home ownership; helping Work First families find affordable housing; and boosting North Carolina's housing development capacity. NextSteps redirects about \$29 million in existing federal and non-state funds, plus a state tax credit, to help 3,420 families get affordable housing. NextSteps also provides assistance for families with rental housing, and a state tax credit for building low-income housing.

### **Transportation**

Another major obstacle for people trying to get off welfare is transportation. The ability to get to a job or job training is essential for *Work First* participants, the majority of whom do not own cars.

• Since April 1998, the N.C. Department of Transportation has given \$2 million in state and federal funds to support the employment transportation needs of individuals who have left welfare and started to work - including funds for fuel, bus passes, and vanpooling and carpooling

### **Health Care**

More North Carolina children and their families are getting the health care they need to succeed in school and in work.

- Smart Start has helped more than 121,000 children get preventive health care, including hearing, vision and dental screenings.
- Under N.C. Health Choice for Children, children whose families have left welfare will still be able to get health coverage. Over 39,000 children are currently covered by Health Choice.
- NextSteps helps people living at below 200% of the poverty level get health care. 6-8 counties will receive assistance in establishing programs modeled after Project Access -- an award winning program in Buncombe County, that brings together doctors, hospitals, pharmacies, and the county to provide free medical service and low-cost medicines to people who do not qualify for other assistance.
- In every county, welfare applicants with a high risk for substance abuse are referred to a substance abuse counselor and a treatment plan is developed as part of their mutual responsibility agreements.

### **Churches and the Community**

Churches and communities play an integral role in Work First. They help to assure that participants find jobs, get training, and have mentors to help them succeed.

- Under Gov. Hunt's NC 'Helping Dads' initiative, churches will begin matching low-income fathers with trained mentors who will teach and work with them on life skills, connect them with available resources. and help them get back on track.
- The Jobs Partnership program, which began in Wake County and is now expanding to other communities, works with local churches to help *Work First* participants find and develop the personal career skills they need to be successful.

### **Check Back**

Work First participants are not left on their own once they leave welfare. They may continue to get health insurance through Medicaid, child care subsidies, transportation assistance and other important services that will help them continue to stay off welfare.

• NextSteps will keep in touch with former Work First participants to make sure they are getting the employment, job training, health care, and other assistance they need though a pilot Post Work First "Check Back" program.

### WELFARE REFORM PUBLIC HEARING JUNE 8, 1999

### TESTIMONY OF SORIEN SCHMIDT

Thank you to the Senators and Representatives who have put this hearing together and who are present today to hear what we have to say.

I have chosen to speak today, not only to let the legislators know my views, but to address you the audience. My name is Sorien Schmidt and I work for a private, non-profit organization called the NC Justice and Community Development Center.

I wanted you to know that I am here at this hearing and in this General Assembly for you:

- Legislators who care about the fate and well-being of all of their constituents no matter how wealthy or poor;
- Local citizens trying to help the poor and less fortunate every day; and
- Especially for the moms, dads, and children who are struggling to survive in low-paying jobs and while receiving public assistance.

I lobby in this General Assembly full time on welfare and public assistance issues just for you. I want you to know that I hear what you are saying today and I carry it with me every day. You must keep saying your message until we get our welfare system right.

I want to make two general points in my remarks today:

- 1. Given the dramatic changes we have made in our state's welfare system, we must now assess the impact of the changes and expect to revise, improve and sometimes outright change things in order to make things work properly.
- 2. Even with an improved welfare system, we cannot ignore the broader issues of the economy in which poor families work. Therefore, we must do all in our power to help families gain better wages and the necessary assistance so they can truly support themselves and their kids.

First, we just changed sixty years of welfare goals, programs and policies in less than four years. In North Carolina we have taken that change further than any other state by giving all of our 100 counties more local control over programs than ever before. Given this, it is not unexpected that some of our reforms need to be refined and improved with experience. In working with moms

and service providers familiar with our welfare system my office has identified three primary policy improvements that are needed now to prevent harm to families:

- 1. **Maintain the Standard of Need -** Maintain and increase eligibility and benefit levels so moms can get back on their feet;
- 2. Eliminate Pay-After-Performance for Two Parent Families Serve two parent families again so they can get back on their feet also after a crisis;
- 3. **Eliminate the Two-Year Time Limit** Cut off no family before they are ready to move on.

Second, we must stay focused on how families are actually faring. Recent evaluations of Work First and the personal experience of many welfare moms is that getting a job and going off the rolls is not nearly enough to claim success.

- The recent Maximus evaluation of Work First found that while over 80% of those who left the system in 1996-97 did perform some type of employment, 64% earned far less than poverty level wages in their first twelve months off the rolls. In fact, fully 34% earned less than \$5,000 in the first year.
- These are people living by the rules, trying their best to provide for their families, but still not able to make it.

While this issue is clearly broader than welfare, it is one we can and must address. For example,

- You can pass legislation requiring all government employees and contractors be paid at least a living wage of \$15 per hour.
- We must allow Work First recipients to improve their earning power by participating in postsecondary education in order to meet their work requirements.
- Finally, you have before you this year, two bills that would create a State Earned Income
   Tax Credit. This credit allows low-wage earners with children to take home more of their
   pay.

Recently I was asked, "Do we need to talk about welfare reform every year?"

My answer is resoundingly, "YES. Until we get it right."

We did not hesitate to completely rework our welfare system and policies <u>three</u> times in the last four years. When we made those changes, they were largely untested and there impact unknown.

We must not now hesitate to improve, refine and outright fix any aspect of the system that proves not to be working adequately. If we hesitate now, we walk away from the suffering of real families.

When Speaker Black opened this session he said, "Welfare reform will remain on our agenda. Those citizens that we can elevate to a higher standard of living with job training and child care and transportation will welcome our help. Those who remain mired – often through no fault of their own – will continue to need our help. While we differ in our ideas as to solutions, we must work together to raise up our fellow human beings. And let me assure you that during our discussions – and even disagreements – we will treat welfare recipients with the respect and dignity that we should accord all fellow human beings. They are people with hopes and dreams and of course, some failures."

These suggestions I make here today - improvements to Work First coupled with Living Wage laws and a State Earned Income Tax Credit - go a long way to achieving the Speaker's vision. Now is the time to meet that challenge.

Sorien K. Schmidt
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### NORTH CAROLINA CHAPTER

National Association of Social Workers

### Welfare Reform Public Hearing Comments June 8, 1999

On Behalf Of: The National Association of Social Workers-NC Chapter
Presented By: Gloria Cook, MSW

Hello, my name is Gloria Cook and I am here today representing the NC Chapter of the National Association of Social Workers. First I would like to thank the members of the Welfare Reform Committee for giving me this opportunity to speak. Our organization represents over 3600 professional Social Workers across this state. As a professional Social Worker who works with clients of the Work First Program every day, I feel it both a privilege and a responsibility to share with you our concerns.

We must maintain the standard of need. The legislature should require the State to maintain the current income eligibility level and benefit calculation. If not corrected, last year's welfare changes would allow the state to cut in half the maximum income a family can have and get Work First assistance. The State's elimination of the standard of need will likely result in a drastic reduction or complete loss of assistance for many struggling, vulnerable families and children at risk of homelessness, hunger, and abuse.

We must alter pay-after-performance for two parent families so that all families will be provided three months of benefits before pay-after-performance can be imposed. I see families who are just a paycheck away from homelessness. If one or both parents lose their job, the situation can quickly escalate into a crisis. Without some reprieve while finding another job, families often become homeless because they cannot pay their bills. These families need the benefit of a safety net to cushion the blow, especially in a fast changing job market like ours. Many of these families are new to the welfare system and have swallowed their pride to come in and apply as a last resort -- only to find they are caught in a catch-22 situation.

Extend Transitional Medicaid for families to 24 months after they leave Work First Assistance instead of the current 12 months. Thank you to the legislators who were responsible for making sure this provision was in the House version of the Budget. It is imperative that this provision remain in throughout negotiations. Most clients go to work at entry-level, low-wage jobs which usually do not offer insurance benefits. Extending Medicaid coverage will help with job retention as parents and children will have better access to medical care, and thus less illness that results in loss of time from work.

TANF funds should be more flexible for use in serving families up to 200% of poverty level. This would allow for assistance for working families who experience a crisis; this assistance may be the only way they will remain in the work force. We need to support strategies to strengthen families who are struggling, so that they will remain as stable, intact families who are able to meet the needs of their children. We can accomplish this by providing tangible services. I see parents who are working and just barely able to make ends meet due to low wages and the high cost of housing. An unexpected car repair can spell disaster for a family who doesn't have money in reserve nor established credit. With more flexible funds we could assist low - income families in staying in the work force.

The State should encourage Counties to focus on hiring trained professionals to work with clients, including professional social workers with their BSW or MSW. In order to truly assist clients, staff need to be trained, with specific skills and competencies. How can an agency truly expect a biology or history major to understand the complex issues of poverty, discrimination, family violence and other issues facing many of our Work First families?

### Remarks for Welfare Hearing By Brenda Summers, Ed.D. President of NC Equity June 8, 1999

Members of the General Assembly and other interested individuals, I thank you for the opportunity to speak this afternoon. I am Brenda Summers, President of NC Equity, a nonprofit organization that works to improve economic opportunities for women and families. We have a Sustainable Family Project that focuses on six strategies to help welfare recipients become economically self-sufficient.

I want to thank you for the efforts of the General Assembly to focus on this issue that determines the economic future for many families in our state. I also want to thank you for a past initiative that is helping develop an important tool for self-sufficiency, the funds you provided for an Individual Development Account demonstration in North Carolina in the Department of Labor.

Welfare reform offers an opportunity to bring people out of poverty and into a life of self-sufficiency. But badly planned reform could also mean that more children and families end up in greater poverty with poorer health care, less food and substandard shelter. I know that every family matters to you as you consider your options and that you will make decisions that help individuals achieve economic security.

NC Equity, two years ago, released a study on the wages that are needed for an individual to become economically self-sufficient. The Self-Sufficiency Standard determines the amount of money employed adults need to meet their basic needs, taking into account geographic variations in costs, the age and number of children. The need varies across the state. (I have attached some examples from the study.) An individual supporting only him of herself might need to earn only the minimum wage to be self-sufficient. But the study also found that a woman with three children in the Triangle area needs to earn nearly \$19 an hour to be self-sufficient. So a minimum wage job with little advancement opportunity is not going to lead to self-sufficiency.

Realistically many of us know that most recipients at this point do not have the skills for many high wage jobs. But if we start now helping Work First recipients plan, then higher wage jobs can be a reality. Many county Departments of Social Services are looking at the Self-

Sufficiency Standards as a counseling tool to help Work First Recipients look at the type of jobs they take. They are asking will this job provide an opportunity for growth.

I think it is important for you to consider the wage issue as you look at welfare reform. As many of you are aware, a recent study released by the Department of DHHS indicates that many Work First recipients have found jobs, but those jobs are not providing wages to raise them out of poverty.

As you look at proposals for welfare reform, please ask the question, will these proposals provide an opportunity for individuals to move beyond minimum wages to economic self-sufficiency.

The Self-Sufficiency Standard for Norfolk-Virginia Beach-Newport News, VA-NC MSA, 1996 Selected Family Types

Monthly Costs	Single Adult	Adult+ infant	Aduit + preschooler	Adult + infant preschooler	Adult + schoolage teenager	Adult +  Infant  preschooler schoolage	2 Adults + Infant preschooler
Housing	\$457.00	<b>\$</b> 542.00	\$542.00	\$542.00	\$542.00	<b>\$7</b> 56.00	\$542.00
Child Care	\$0.00	\$281.00	\$305.00	<b>\$</b> 586.00	\$151.50	\$737.50	\$586.00
Food	\$153.48	\$225.28	\$233.09	\$303.24	\$400.26	\$407.90	\$434.90
Transportation	\$105.71	\$109.60	\$109.60	\$109.60	\$109.60	\$109.60	\$212.06
Medical Care	\$70.57	\$143.87	\$126.22	\$161.10	\$165.27	\$178.33	\$206.06
Miscellaneous	\$78.68	<b>\$</b> 130.18	\$131.59	\$170.19	\$136.86	\$218.93	\$198.10
Taxes	\$232.61	<b>\$</b> 344.07	<b>\$</b> 354.39	\$498.15	\$307.64	\$702.01	\$565.59
Earned Income Tax Credit (-)	\$0.00	(\$69.18)	(\$63.88)	(\$23.56)	(\$159.89)	\$0.00	\$0.00
Child Care Tax Credit (-)	\$0.00	(\$50.00)	(\$48.00)	(\$84.00)	(\$37.88)	(\$80.00)	(\$80.00)
Monthly Self- Sufficiency Wage	\$1,098.04	<b>\$1,656.82</b>	\$1,690.01	\$2,262.73	<b>\$1,</b> 615.36	\$3,030.27	\$2,664.71
Hourly Self- Sufficiency Wage	\$6.24	\$9.41	\$9.60	<b>\$12.86</b>	\$9.18	\$17.22	\$7.57 per adult

# The Self-Sufficiency Standard for Raleigh-Durham-Chapel Hill, NC MSA, 1996 Selected Family Types

Monthly Costs .	Single Adult	Aduit + infant	Aduit + preschooler	Aduit + Infant preschooler	Adult + schoolage teenager	Adult + Infant preschooler schoolage	2 Adults + infant preschooler
Housing	\$510.00	\$599.00	\$599.00	\$599.00	\$599.00	\$803.00	\$599.00
Child Care	\$0.00	\$335.00	\$368.17	\$703.17	\$180.42	\$883.59	\$703.17
Food	\$153.48	\$225.28	\$233.09	\$303.24	\$400.26	\$407.90	\$434.90
Transportation	\$105.71	\$109.60	\$109.60	\$109.60	\$109.60	\$109.60	\$212.06
Medical Care	\$70.57	\$143.87	\$126.22	\$161.10	\$165.27	\$178.33	\$206.06
Miscellaneous	\$83.98	\$141.28	\$143.61	\$187.61	\$145.46	\$238.24	\$215.52
Taxes	\$256.46	<b>\$</b> 413.87	\$428.68	\$591.99	\$364.32	\$793.17	\$647.83
Earned Income Tax Credit (-)	\$0.00	(\$31.92)	(\$24.22)	\$0.00	(\$121.00)	\$0.00	\$0.00
Child Care Tax Credit (-)	\$0.00	(\$46.00)	(\$46.00)	(\$80.00)	(\$43.30)	(\$80.00)	(\$80.00)
thly Self- diciency Wage	\$1,180.19	\$1,889.97	\$1,938.14	\$2,575.72	\$1,800.03	\$3,333.84	\$2,938.53
Hourly Self- Sufficiency Wage	\$6.71	\$10.74	\$11.01	<b>\$14.63</b>	\$10.23	\$18.94	\$8.35 per adult

# The Self-Sufficiency Standard for Asheville, NC MSA, 1996 Selected Family Types

nthly Costs	Single Adult	Adult + Infant	Adult + preschooler	Adult + Infant preschooler	Adult + schoolage teenager	Adult + Infant preschooler	2 Adults + Infant
riousing	\$344.00	\$448.00	\$448.00	\$448.00		schoolage	preschoole
Child Care	\$0.00	\$270.50	\$286.00		\$448.00	\$583.00	\$448.0
Food	\$153.48	*222.00		4000.00	\$141.75	\$698.25	\$556.50
The second secon	0.00.40	\$225.28	\$233.09	\$303.24	\$400.28	\$407.90	\$434.9
Transportation	\$105.71	\$109.60	\$109.60	\$109.60	\$109.60	\$109.60	· · · · · · · · · · · · · · · · · · ·
Medical Care	\$70.57	\$143.87	\$126.22	\$161.10		1	\$212.00
Miscellaneous	\$67.38	P440 70		7.01.10	\$165.27	\$178.33	\$206.06
P		\$119.73	\$120.29	\$157.84	\$126.49	\$197.71	\$185.75
Taxes	\$181.75	\$282.12	\$285.99	\$410,43	2044.45		9100.75
Earned Income Tax Credit (-)	\$0.00	/2400.001			\$241.45	\$601.80	\$507.28
The second commence in the second		(\$103.20)	(\$101.29)	(\$85.34)	(\$207.72)	\$0.00	\$0.00
Child Care Tax Credit (-)	\$0.00	(\$52.00)	(\$52.00)	(\$92.00)	(\$38.86)	(\$80.00)	
Monthly Self-	1		1	· ·		(400.00)	(\$80.00
Sufficiency Wage	\$922.88	\$1,443.90	\$1,455.90	\$1,969.38	\$1,388.24	\$2,696.59	<b>20</b> 420
Hourly Self-	\$5.24	\$8.20	\$8.27	1		44,080,39	\$2,470.55
Sufficiency Wage	i		40.2/	\$11.19	\$7.89	\$15.32	\$7.02 per adult

# The Self-Sufficiency Standard for Charlotte-Gastonia-Rock Hill, NC-SC MSA, 1996 Selected Family Types

Monthly Costs Housing	Single Adult	Adult+ Infant	Adult + preschooler	Aduit + Infant preschooler	Adult + schoolage teenager	Adult + infant preschooler schoolage	2 Adults + infant preschooler
	\$454.00	\$511.00	\$511.00	\$511.00	\$511.00	\$674.00	
Child Care -	\$0.00	\$301.08	\$324.00	\$625.08	\$159.58		\$511.00
Food	\$153.48	\$225.28				\$784.66	\$625.08
Transmontation	7.00.70	₹223.28	\$233.09	\$303.24	\$400.26	\$407.90	\$434.90
Transportation	\$105.71	\$109.60	\$109.60	\$109.60	\$109.60	\$109.60	\$212.06
Medical Care	\$70.57	\$143.87	\$126.22	\$161.10	\$165.27	\$178.33	
Miscellaneous	\$78.38	\$129.08	\$130.39	8454.00		T.10.33	\$206.06
Taxes	2004.00			\$171.00	\$134.57	<b>\$</b> 215.45	\$198.91
National ed National Confidence C	\$231.26	\$337.42	\$345.99	\$503.57	\$263.67	\$685.56	\$569,41
arned Income Tax Credit (-)	\$0.00	(\$72.73)	(\$68.36)	(\$19.74)	(\$178.89)		
Child Care Tax Credit (-)	\$0.00	/\$E0.00\:		<del></del>	(9170.69)	\$0.00	\$0.00
	. 40.00	(\$50.00)	(\$50.00)	(\$84.00)	(\$39.90):	(\$80.00)	(\$80.00
Monthly Self- Sufficiency Wage	\$1,093.39	\$1,634.61	\$1,661.92	\$2,280.86	\$1,525.17	\$2,975.50	\$2,677.42
lourly Self- iency Wage	\$6.21	\$9.29	\$9.44	\$12.96	\$8.67	\$16.91	\$7.61 per adult

# Welfare Reform Public Hearing June 8 1999

The North Carolina Department of Health and Human Services just released statistics showing that 64 percent of families who left welfare roll with a job in 1996-1997 earned less than \$10,000 in the twelve months after they left. And 34% earned less than \$5,000. These are not abstract figures, but moms trying to support children with less than half of the poverty level income and usually no benefits.

Representative Beverly Earle, members of the NC House Welfare Reform Legislative Committee, thank you for convening this important hearing. Although this is a little late, it does give us an opportunity to make welfare reform in North Carolina more humane. I am Shirley McClain, Executive Director of the North Carolina Hunger Network. We are a statewide organization with a diverse membership made up of individuals and organizations working together to end hunger and poverty.

- I ask you on behalf of thousands of women, children and their allies to consider several things.
- 1. Eliminate the two year time limit: Our state should follow the Federal Fve Year Life Time Limit. Our two year time limit is a slap in the face to thousands of moms who have had to leave the rolls under these rules and cannot earn nearly enough to support their kids. Why maintain a complicated, additional two-year time limit unless you just want to clear the rolls of people who need more help and take longer to reach self-sufficiency. If you cannot find it in your hearts or minds to eliminate the two year time limit then surely you could shorten the waiting period for reapplying from 36 months to 18 months.
- 2. Our welfare reform plan should also contain a provision to restore the standard of need so families earning less than \$544 per month can get cash assistance.
- 3. Allow two parent families to collect some benefits three months before they are subject to the pay-after-performance requirement which has cut most two parent families off the rolls altogether.
- 4. You should count post high school education toward their Workfirst work requirement.

Please consider these provision add them to the North Carolina Welfare Reform State Plan.

Shirley McClain
North Carolina Hunger Network 919-821-5300



Fighting Hunger in 34 Counties







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Rollie Tillman an-Flagler Business School niversity of North Carolina at Chapel Hill

# TESTIMONY OF JANE F. COX, PRESIDENT, NORTH CAROLINA STATE ASSOCIATION OF FOOD BANKS, BEFORE THE HOUSE COMMITTEE ON WELFARE REFORM

Tuesday, June 8, 1999 1 p.m.

GOOD AFTERNOON. I WOULD LIKE TO THANK THE COMMITTEE, ESPECIALLY REPRESENTATIVE BARBARA EARLE, FOR THE OPPORTUNITY TO COME BEFORE YOU THIS AFTERNOON.

I AM HERE TODAY REPRESENTING THE SIX SECOND HARVEST FOOD BANKS ACROSS THE STATE. WE ARE LOCATED IN ASHEVILLE, CHARLOTTE, ELIZABETH CITY, FAYETTEVILLE, RALEIGH, AND WINSTON-SALEM. TOGETHER, THE SIX FOOD BANKS SERVE ALL NORTH CAROLINIANS AT RISK OF HUNGER. FOOD BANKS DO NOT SERVE PEOPLE IN NEED DIRECTLY, BUT INSTEAD HARNESS FOOD AND COMMUNITY RESOURCES FOR DISTRIBUTION TO 501(C)(3) ORGANIZATIONS, SUCH AS EMERGENCY FEEDING PROGRAMS, SOUP KITCHENS, FOOD PANTRIES, HOMELESS SHELTERS, AND, ELDER AND CHILD FEEDING PROGRAMS THAT IN TURN FEED THOSE WHO SUFFER FROM HUNGER.

ON AVERAGE, THE SIX SECOND HARVEST FOOD BANKS IN NORTH CAROLINA PROVIDE MORE THAN 20 MILLION POUNDS OF FOOD EACH YEAR TO 1650 NONPROFIT AGENCIES WHO THEN SERVE NORTH CAROLINIANS IN NEED.

I AM DEEPLY GRATEFUL FOR THE GENERAL ASSEMBLY'S SUPPORT OVER THE YEARS FOR THE STATE NUTRITION ASSISTANCE PROGRAM (SNAP), AN OUTSTANDING PROGRAM THAT PROVIDES GOOD, NUTRITIOUS FOOD TO THOSE WHO SUFFER FROM HUNGER THROUGHOUT THIS STATE. AS YOU KNOW, THIS FOOD IS EQUALLY SHARED AMONG THE SIX SECOND HARVEST FOOD BANKS IN THE STATE AND DISTRIBUTED IN ALL 100 COUNTIES OF NORTH CAROLINA. WE APPRECIATE YOUR SUPPORT OF THIS PROJECT, AND HAVE EVERY HOPE THAT THIS MUCH-NEEDED FOOD PROGRAM WILL CONTINUE TO BE IN PLACE FROM MURPHY TO MANTEO, FEEDING HUNGRY PEOPLE IN EVERY TOWN IN NORTH CAROLINA.

#### EXECUTIVE DIRECTOR







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Nancy Schwarm Cisco Systems, Inc.

Bill Shultz Community Volunteer

John Stokes Alliant Food Service, Inc.

Rollie Tillman Kenan-Flagler Business School University of North Carolina ut Chapel Hill WITH REGARD TO WELFARE REFORM, NORTH CAROLINA HAS COME A LONG WAY OVER THE LAST FOUR YEARS OR SO, BUT THE OLD NORTH STATE STILL HAS A LONG WAY TO GO ON THIS IMPORTANT JOURNEY.

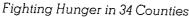
THE OVERARCHING PURPOSE OF WORK FIRST IS TO CHANGE WELFARE FROM A SYSTEM THAT FOSTERED DEPENDENCE TO ONE THAT FOSTERED INDEPENDENCE. ITS INTENT IS TO MOTIVATE DISADVANTAGED NORTH CAROLINIANS TO HALT THE VICIOUS CYCLE OF POVERTY BY PROVIDING THEM WITH THE MEANS TO BREAK OUT.

HOWEVER, AS WE HAVE SEEN RECENTLY, LEAVING THE WELFARE ROLLS IN NORTH CAROLINA DOES NOT MEAN LEAVING POVERTY. A STUDY CONDUCTED BY THE N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES FOUND RECENTLY AS FEBRUARY OF THIS YEAR THAT NEARLY A THIRD OF THE FAMILIES FORMERLY ENROLLED IN WORK FIRST STILL HAD AN INCOME LEVEL LOW ENOUGH TO PERMIT THEM TO CONTINUE RECEIVING FOOD STAMPS.

SINCE THE ADVENT OF WELFARE REFORM, CHARITABLE ORGANIZATIONS LIKE THE FOOD BANKS HAVE SEEN A SIGNIFICANT INCREASE IN DEMAND FOR FOOD ASSISTANCE. SECOND HARVEST, THE NATIONAL FOOD BANK NETWORK, ESTIMATES THAT NATIONWIDE THERE HAS BEEN A 15% INCREASE IN THE UTLILIZATION OF EMERGENCY FOOD ASSISTANCE- ESPECIALLY BY THOSE FAMILIES MOVING OFF OF WELFARE. HERE IN NORTH CAROLINA, THE FOOD BANK OF NORTH CAROLINA HAS SEEN A 44% INCREASE IN DEMAND WITHIN ITS 34 COUNTY SERVICE AREA. WE BELIEVE THIS NOTABLE INCREASE HAS BEEN BROUGHT ABOUT BY OUR EFFORTS TO INCREASE FOOD DISTRIBUTION IN RURAL AREAS, BY AN INCREASE IN DONATIONS OF QUALITY FOODS, AND BY FAMILIES BECOMING INELIGIBLE FOR GOVERNMENT ASSISTANCE.

IN THE 34 COUNTIES THE FOOD BANK OF NORTH CAROLINA SERVES, A 1997 SECOND HARVEST SURVEY REVEALED THAT 87% OF THE HOUSEHOLDS RECEIVING FOOD ASSISTANCE HAVE AN ANNUAL INCOME OF \$17,500 OR LESS. OF THOSE SAME HOUSEHOLDS, NEARLY 60% DO NOT OWN A CAR. MANY OF THESE PEOPLE ARE THE WORKING POOR-- THEY ARE EMPLOYED BUT NOT MAKING ENOUGH TO SUPPORT THEIR FAMILIES. HOW IS THAT POSSIBLE? WHEN WE WORK OUT THE MATH, TWO ADULTS MAKING MINIMUM WAGE (\$5.15) DURING A 40-HOUR WEEK ONLY GROSS \$21,500 EACH YEAR.









# OF NORTH CAROLINA

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GIVEN THE SAD REALITY OF MINIMUM-WAGE INCOME LEVELS, CHOICES MUST BE MADE. AGAIN, IN THE AREA SERVED BY THE FOOD BANK OF NORTH CAROLINA, THE SURVEY MENTIONED PREVIOUSLY FOUND THAT 33% OF THE HOUSEHOLDS RECEIVING FOOD ASSISTANCE HAD TO CHOOSE BETWEEN BUYING FOOD OR PAYING THEIR RENT OR MORTGAGE- WHILE 29% HAD TO CHOOSE BETWEEN FOOD AND MEDICAL CARE. CLEARLY, THESE ARE NOT THE CHOICES A NORTH CAROLINIAN COMING OUT OF THE WORK FIRST PROGRAM SHOULD HAVE TO MAKE.

IN ORDER TO BE TRULY INDEPENDENT, WORK FIRST PARTICIPANTS AND FORMER PARTICIPANTS MUST BE PERMITTED TO BUILD UP SOME SAVINGS SO THAT AN UNANTICIPATED CAR REPAIR OR ILLNESS DOES NOT DERAIL THEIR HARD-EARNED SUCCESS AND FORCE THEM TO MAKE THOSE DIFFICULT CHOICES IN THEIR FAMILY BUDGET THAT END UP BURNING MUSCLE AND BONE, NOT FAT.

CURRENT LEGISLATION, AS IT STANDS IN REGARDS TO WELFARE REFORM, THREATENS TO SNIP HOLES IN THE ALREADY ENDANGERED SAFETY NET. HUNGRY ADULTS ARE UNABLE TO FUNCTION TO THE BEST OF THEIR ABILITY, AND HUNGRY CHILDREN ARE UNABLE TO LEARN AND GROW TO THEIR POTENTIAL. HUNGER HAS A CURE, AND WITH YOUR HELP, WE AT THE NORTH CAROLINA STATE ASSOCIATION OF FOOD BANKS WILL CONTINUE TO PROVIDE FOOD TO THOSE MOST IN NEED IN NORTH CAROLINA. PLEASE, HELP US.

# Testimony to the NC General Assembly Public Hearing on Welfare Reform--June 8, 1999

Elizabeth S. Black, Interfaith Assistance Ministry, Hendersonville, NC

In my position as a volunteer Intake Worker at Interfaith Assistance Ministry and as a member of Faith Link Partnership in Hendersonville, NC, (with Work First families) I am observing significant increases in the serious needs of clients precipitated by various elements of Welfare Reform.

My education and professional experience include psychiatric nursing and teaching and counseling in a community college. I am also currently a member of a community advocacy group for people on Work First.

One of the most important needs that I have seen is the significance of education for Work First clients. We understand that, at this point, no provision has been made to include attendance at a community college or other post-secondary program in their 35 hour per week work requirement.

This provision in HB1243 (sponsor: Alma Adams) is crucial to enabling Work First clients to prepare themselves for full employment and productive independence. Please do not let this wait until next year.

The other issue which I see surfacing repeatedly in my crisis intervention work is that of mental illness. IAM is seeing increased requests for assistance with the purchase of medicines for the treatment of mental illness or psychological difficulties. I also observe the effects of mental illness on the behavior of clients who come in asking for help, i.e., their increased anger and hostility and their increased helplessness and hopelessness in dealing with the problems created by welfare reform. Welfare reform is the cause of their increased poverty.

Our advocacy group has identified the defects in needs assessment for mental illness as a high priority concern for the Work First clients. North Carolina has a serious obligation to focus on increased funding for the needs of the mentally ill.

# Testimony to the North Carolina General Assembly Public Hearing on Welfare Reform--June 8, 1999

Barbara Zelter Earls, Director, Project JUBILEE, NC Council of Churches 9257 Chapel Hill Road, Cary, NC 27513-3612 919-460-7666 earls@ntwrks.com

This testimony brings you a perspective from faith groups across North Carolina, which are striving to learn about welfare changes and form new partnerships with families in Work First, and with County Departments of Social Services.

For the past few years, I and two part-time staff partners have worked in two pilot counties--Wilson and Durham--and across the state trying to increase the involvement of average NC churchgoers in the lives of families who are in the Work First program. We have dealt with about one-third of our state's 100 counties, from Hendersonville to Wilmington.

Our Families First program, based on Asheville Buncombe's model, links members of congregations with Work First families who choose to have such a set of allies. And we have helped proliferate the role of Faith Community Coordinator, a point person generally in county Social Services departments, who finds hands-on ways people of faith can assist Work First families reach their goals. At present, there are 16 such county-based coordinators, and many more counties are in the process of hiring.

From this ground-level and statewide point of view, we applaud the changes brought by Representatives Earle and Adams and Senator Martin in their welfare bills, and were pleased to see components of these bills in the House budget for the short time they were there. We strongly urge you to retain those improvements through any means ——in the final budget or as a separate bill——this session.

Council members will later read you two statements from a former Work First mother on JUBILEE's board, and a crisis assistance volunteer from the western part of the state; they, like most who have words to say, could not be here today. Others pass on these observations to you:

From a Food Bank volunteer at a conference on May 15<sup>th</sup> in Moore County near Southern Pines, where the U. S. Open is about to be held: "Our requests for food have gone up 25% this past year. Our church volunteers are burnt out. We can't keep up." Those who come for food are often workers who serve food to golfers and make up their motel beds. The Coalition for Human Care there in Southern Pines has seen a 50% increase in food requests just this year, mainly from working families.

From people in congregations: Most people are startled to hear the low amounts families receive for cash assistance, and are surprised by the many obstacles families face to what sounds like simple task--get a job. Their impressions of so-called welfare mothers had been falsely shaped by popular stereotypes. Why is this important? Because some of these people are the same voters who pushed welfare reform and wanted tax cuts. But when they get to know and care about someone facing work mandates and time limits, they become more and more indignant about the lack of affordable housing, all the barriers familiar to you--even such blocks as car insurance rates so high that families who could afford a car can't pay the insurance to keep it.

They have asked me why North Carolina has a two-year time limit for cash assistance, when they see how long it takes put together and implement an action plan to move toward what is euphemistically called "self-sufficiency." They particularly are upset about how most post-high school education no longer counts as "work experience." We ask that you seriously and quickly work to include more education as "work experience," so parents can qualify for those good jobs demanding degrees.

Finally, if welfare reform is to be more supportive than punitive, we must piece together those policies that will make work pay. Rep. Adams' bill for a North Carolina "living wage" of \$8.50/hour is one good component of a family friendly state. Another component involves expanding health coverage to all working adults. We commend the House for adding 12 extra months of Medicaid for Work First families. Still, 137,000 NC parents work at jobs that leave them below 200% of poverty level, and uninsured. The NC Health Access Coalitions shows how all these workers might be covered by Medicaid, granting them the same level of coverage you have already given their children through the new Health Choice plan. Let us take at the very least this step toward a universal health care plan in NC. And to assure that more average workers can afford to run for office and represent their own points of view, let's pass Senator Gulley's Clean Elections Act.

Real welfare reform is bigger than Work First. It is critical to make modifications suggested here today. The North Carolina Council of Churches urges you also to remember workers when considering ergonomics regulations, farm labor conditions, credit company rate hike petitions, state allocations for the Housing Trust Fund, the mental health budget, and the entire larger context that nurtures working families. Church volunteers have one piece to offer, but in no way can take your place as the ones who pass the laws and policies truly honoring all workers.

# \$38.6 MILLION IN STATE DOLLARS CAN PROVIDE MEDICAID COVERAGE TO EVERY WORKING PARENT LIVING IN POVERTY IN NORTH CAROLINA.

Of 415,000 working parents in North Carolina below 200% of the federal poverty level approximately 137,000 do not have health insurance. Approximately 59,000 working parents below 100% of the poverty level lack health insurance. The kids in these families will all qualify for NC's Health Choice program (if they have no other insurance) or NC's Medicaid program, so they are covered even if their parents are not.<sup>1</sup>

# North Carolina can cover these parents through the Medicaid program.<sup>2</sup>

When evaluating whether a family meets the state's Medicaid income and resource standards established under section 1931 of the federal Medicaid law, NC has the option of using "methodologies" for counting income and resources that are "less restrictive" than those used in the Work First program.<sup>3</sup> This allows NC to create or expand income and resource exclusions ("disregards"), exemptions, or deductions in order to make more people eligible for Medicaid. NC can adopt ANY change to its income and resource counting rules that expands eligibility as long as the change does not cause anyone to lose Medicaid coverage.<sup>4</sup> By having an expanded disregard of earnings for working parents can qualify for Medicaid coverage.

North Carolina pays about 37% of the costs of covering benefits in the Medicaid program. The Federal Government pays 63%. North Carolina's Medicaid program pays an average of \$1766 per year to cover an adult in a family with children with comprehensive health benefits. <sup>5</sup>

# The costs of covering working parents under North Carolina's Medicaid program.

	# of Working Parents	<b>Total Costs</b>	Federal Share	State/Local \$
Uninsured Working Parents Below 100% Federal Poverty Level	59,000	\$104.2 million	\$65.6 million	\$38.6 million
Uninsured Working Parents Below 200% Federal Poverty Level	137,000	\$242 million	\$152.4 million	\$89.6 million

FINANCING NOTE: The recently passed child health insurance tax credit costs \$64.5 million in 1999-2000. If the tax credit for families with incomes over 200 percent of poverty (those whose children would not be eligible for Medicaid nor Health Choice) was delayed, then the resulting savings for 1999-2000 would total over \$35.9 million.

<sup>4</sup> HCFA, "State Medicaid Manual," Part 3, Eligibility, section 3301.1(G).

<sup>&</sup>lt;sup>1</sup> Source: US Census Bureau data analyzed by the Center on Budget and Policy Priorities, www.cbpp.org/2-9-99mcaid.htm.

<sup>&</sup>lt;sup>2</sup> Guyer, Jocelyn and Cindy Mann, Employed but not Insured: A State-by-State Analysis of the Number of Low-Income Working Parents who Lack Health Insurance, February 9, 1999.

<sup>&</sup>lt;sup>3</sup> Section 1931(b)(2)(c) of the Social Security Act.

<sup>&</sup>lt;sup>5</sup> Medicaid Annual Report, Fiscal Year 1998, NC DHHS, Division of Medical Assistance, 1998.

# Faith Community Coordinators -- Contact List, 5/99

Complied by: Project JUBILEE, NC Council of Churches

The term "Faith Community Coordinators" is a generic one. Generally, it indicates employees or contractees of county Departments of Social Services, with the administrative task of educating and organizing volunteers in local faith communities for a range of means to assist or form caring partnerships with families in the Work First welfare program. In Guilford, a major community leader doing the same function is included. Others will emerge from many venues as this idea progresses.

### **BUNCOMBE** (contract, full-time)

Mr. Henry Robinson, Families First &

Crisis Outreach Coordinator

C/O: Asheville-Buncombe Community

Christian Ministry (ABCCM)

24 Cumberland Ave.; Asheville, NC 28801

828-259-5300; Fax: 828-259-5307

### BURKE (contract, full-time)

The Rev. Jamye C. Christy
Faith Community Coordinator

C/O: 302 Holly Place Morganton, NC 28655

828-437-9013; DSS: 828-439-2118

Fax: 828-493-2137 (DSS)

nmumc@vvi.net

# CABARRUS (short-term contract)

The Rev. Greg Stewart C/O 360 Spring Street SW Concord, NC 28025 704-939-1400, DSS 704-425-7339, home office\*

#### CATAWBA

The Rev. Joey Byrd
Faith Community Coordinator
C/O Catawba Co. DS5
P.O. Box 669
Newton, NC 28658
828-326-5600 (DSS); 327-0979 (CCM)

Fax: 828-322-2497 (DSS); 327-9102

#### DAVIDSON

Art Fuller, Faith Community Coord. C/O Davidson Co. DSS P.O. Box 788; Lexington, NC 336-242-2500; Fax: 336-249-7588

DURHAM (contract, full-time)
The Rev. Pebbles Lindsay-Lucas
Faith Community Coordinator
C/O: First Presbyterian Church
301 W. Main Street
Durham, NC 27701

919-560-8153; Fax: 919-682-0493

GREEN (full-time DSS employee)

Evangelist Evelyn Joyner

Faith Community Coord., part-time

C/O: Green Co. DSS

227 Kingold Blvd., Suite A

Snow Hill, NC 28580

252-747-5932; Fax: 252-747-8654

#### GUILFORD

Minister Odell Cleveland, Director
Welfare Reform Liaison Project
Mt. Zion Baptist Church of Greensboro
1324 Alamance Church Rd.
Greensboro, NC 27406
336-373-4281; Fax: 336-273-6804
Mincleve@belsouth.net

HALIFAX (full-time DSS employee)

Ms. Michelle Winstead
Community Development Specialist
Halifax Co. DS5
P.O. Box 767 (4421 Hwy. 301)
Halifax, NC 27839
252-536-6514; Fax: 252-536-6539

#### **HENDERSON**

arace@schoollink.net

Ms. Beverly Kelly
Intirim Faith Coordinator
C/O Interfaith Assistance Ministries
210 Ehringhaus Street
P.O. Box 2562
Hendersonville, NC 28793-2562
828-697-7029
Fax: 828-697-7015

#### MACON

Stacy Mork
C/O 24 Big Sky Road
Sylva, NC 28779
828-586-9125, home office \*
stacymork@aol.com

# MECKLENBURG (two FT DSS staff)

The Rev. Ralph Williamson,
Special Assistant to the Director
The Rev. Dorothy B. Davis,
Faith Partnership Manager
Mecklenburg Co. DSS
301 Billingsley Road
Charlotte, NC 28211
Rev. Williamson: 704-336-7512

Rev. Davis: 704-336-2872 Fax: 704-336-3361 **ORANGE** (contract, part-time)

Ms. Winnie Morgan
WorkFirst Faith Community
Involvement Coordinator
C/O 2720 Buckboard Drive
Hillsborough, NC 27278
919-732-1524

Fax: 919-732-1747 winniem@juno.com

TRANSLYVANIA (grant-funded, P-T)

Ms. Chris Baglio C/O Translyvania Christian Ministries P.O. Box 958 Brevard, NC 28712 828-884-2866

WAKE (internship)

The Rev. Stan Yancey
Wake Co. Human Services
Wake County ATC
3000 Falstaff Road
Raleigh, NC 27610
919-250-1533
Fax: 919-250-1599
Syancey@co.wake.nc.us

WILSON (contract, full-time)

The Rev. Roy Falgout
Faith Community Business Coordinator
C/O Wilson Co. DSS
P.O. Box 459
Wilson, NC 27894
252-206-4000 (DSS)
Fax: 252-237-1544

pager: 252-234-9614 rfalgout@wilson-co.com

Other counties are considering hiring for this role. The list will be updated regularly.

# June 8, 1999 Public Hearing on Work First & Welfare Reform Testimony of Elizabeth P. McLaughlin Welfare and Employment Law Attorney

My name is Elizabeth McLaughlin and I am an attorney from the NC Justice and Community Development Center who represents low-wage workers and welfare recipients. I work directly with two important parties in the welfare reform conflict: the Work First participants and the social workers that manage their cases. The experience of representing Work First participants and other low-income employees, giving presentations both to groups of public assistance recipients as well as to groups of caseworkers, and keeping a close watch on the "big picture" effects of welfare reform across the state, compels me to come before you today to do two things:

- (1) share with you our findings on the "big picture" impact of welfare reforms; and
- (2) urge you to take immediate action on three provisions to repair North Carolina's program.

The bottom line "big picture" is that our system is not working right now: we have cut the welfare roll in half, but most of the people coming off Work First are still making sub-poverty wages—even after a year of being out of the program. There's something wrong with that. If our welfare policy is premised on people working for a living, then the State needs to take the necessary steps to ensure that work pays. The fact is, even if you were passing all the right Work First provisions, we would still be stuck with the systemic problem of wages that simply don't provide a living.

To meet her family's basic needs without public assistance, an adult with one infant and one pre-school-age child needs to earn about \$15 per hour, or \$31,000 per year. Contrast this fact with the reality that the fastest-growing jobs in North Carolina (housekeepers/

Wider Opportunities for Women, Inc., The Self Sufficiency Standard for North Carolina, at 5 (Fall 1997).

custodians, retail salespeople, nurses aids and cashiers) pay on average less than \$14,768- and seldom provide health or retirement benefits. <sup>2</sup>

I talk with these workers just about every day and they all tell me the same thing: "Yes, I'm off welfare, but I still don't make enough money to feed my family and pay rent on time." Social workers tell me: "Yes, we've moved a lot of people off, but those that are left are never going to be able to work, so I don't know what's going to happen to them once their time limit hits."

You implemented radical changes to our welfare system overnight, and now you need to fix them with the same speed. You have three options on the table that will help low-income families make it in our system: pass the state Earned Income Tax Credit, repeal of the two-year time limit, and allow Work First recipients to count post-secondary education toward the work requirement.

- (1) Pass the EITC—The Earned Income Tax Credit allows low-wage working families to keep more of their employment earnings. Poor children whose parents work will be the primary beneficiaries of the state EITC. Passing the EITC will reward parents for working and help move their incomes closer to poverty level.
- (2) Repeal the 2-year time limit—The evidence is in: welfare reform simply won't work for everyone. Take it from the caseworkers: some people will simply not be able to work, time limits or no time limits. Look at the Maximus report: Those who can leave welfare for work generally have been. Before implementation of the time limit, people went off public assistance after an average of twelve months. After implementation, nine months. Our two-year time limit on cash assistance is effective for one purpose and one purpose only: to punish those who need more time to move off the rolls or who suffer a setback after leaving. Unfortunately, children currently endure the brunt of this punishment. Our Work First policies should focus on meeting the individual needs of families moving to self-sufficiency rather than on

<sup>&</sup>lt;sup>2</sup> Budget and Tax Center Reports, Vol. 5, No. 1 (January 1999).

implementing complicated, duplicative state time limits in addition to the already mandatory federal time limit. The caseworkers will be the first to tell you this.

(3) Allow education to count toward the work requirement—Substantial research shows that people with post-secondary training earn more. Without policies that permit poor parents to pursue post-secondary education while on Work First, we may be dooming them to poverty-level wages and on-again-off-again need for public assistance. It is critical that while we tell families they must be economically self-sufficient, we simultaneously provide them with the opportunity to equip themselves with the necessary tools to achieve that goal.

In closing, I urge you again: we have the evidence, we know what needs to happen, now we must set our hands to the task before us. You implemented these changes overnight, and you can fix them just as fast—for the sake of North Carolina's working poor and all of us who are trying to live here—help poor families who are in need now: improve Work First and support parents' efforts to support themselves.

Nesfare Reform table Fearing 6-8-99

Public Hearing

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# HOUSE WELFARE REFORM SUBCOMMITTEE

AGENDA JUNE 15, 199 10:00

THIS MEETING WAS CALLED TO DISCUSS ANY UNFINISHED BUSINESS

### HOUSE WELFARE REFORM

## MINUTES JUNE 15, 1999 10:00

The Subcommittee on Welfare Reform met on Tuesday, June 15, 1999, at 10:00 a.m. in Room 424 of the Legislative Office Building. The following members were present: Chair, Representative Beverly Earle, Representatives Alma Adams, Vice Chair, Representative Trudi Walend, and Larry Womble.

#### **Welcome**

Representative Beverly Earle called the meeting to order and welcomed the members, and advocates.

The meeting was called to answer any unanswered questions and concerns from the Subcommittee concerning the two bills in guestion (HB1243 & HB1257). concerns were with the changes with the two-parent family and Standard of Need. Nancy Coston, Deputy Director of the Division of Social Services, explained that the Department position on the Standard of Need would stay the same, and not go with the changes that were originally proposed. The Standard of Need would stay in place. This area of concern was settled. The two parent families are very hard to place. There are currently 250 two-parent families. Rep. Walend wanted to know if the Department gave them three months of assistance, would this help them get to work. Ms Beal stated that this is what the Department is trying to do. If they were in a crisis, this would help with various assistance, like childcare, and transportation. The three months would allow the Department time to help remove some of the barriers. When the barriers are removed, the chances of staying on the job are greater. Statistics have shown that if they stay on the job ninety days, they will stay, and meet the requirements of the Department. Some Committee member still had concerns with three months not being enough time to help the two parent families. The twoparent family is required to work 140 hours a month. If this requirement is not met, they will not receive any cash assistance. Other benefits are available, but no cash assistance. Ms. Corton stated that this is a Federal requirement, not State. The concerns with the committee are that, if they miss just one hour, they will not receive assistance. Rep. Womble stated that there should be some type of exception to help with hardships. Rep. Adams agreed. The issue of changing the plan to go with three months was not settled. Representative Earle stated she would schedule another meeting, and members would be notified.

### **Adjournment**

The meeting adjourned at 11:10 a.m.

House Welfare Reform Minutes June 15, 1999 Page Two

Respectfully submitted,

Presiding Chair, Representative Beverly Earle

Ann Raeford, Committee Clerk

Attachment I Attachment II

Agenda

Visitor Registration

# **VISITOR REGISTRATION SHEET**

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Welfare Rotorn-Sc	ebconnitlee 6-1599
Name of Committee	Date
VISITORS: PLEASE SIGN BELOW AN	ND RETURN TO COMMITTEE CLERK
NAME	FIRM OR AGENCY AND ADDRESS
Jam Segmans	NC Social Services Consortium
Burlo Sunnus	NCEgrule
Keren Anderson	Drs
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# HOUSE WELFARE REFORM

MINUTES JULY 1, 1999 12:00 P.M.

The North Carolina House Welfare Reform met on Thursday, July 1, 1999, at 12:06 p.m. in Room 415, of the Legislative Office Building. The following members were present: Co-Chairs, Representative Beverly Earle and Representative Stan Fox; Representative Alma Adams, Vice Chair, Representative Martha Alexander, Trudi Walend, Larry Womble, Ex-Officio members, Representative Phil Baddour and Representative Pete Cunningham.

#### Welcome

Co-Chair, Representative Beverly Earle, called the meeting to order and welcomed members, visitors, advocates and Pages.

The meeting opened with a motion from Representative Martha Alexander to accept the committee substitute for discussion. The motion carried. The committee substitute was distributed among members and visitors. Rep. Earle then gave way to Gann Watson, staff, to explain the committee substitute to the members. A summary of the bill was prepared by Jo McCants, Committee Co-Counsel, and also distributed. Ms. Watson explained the bill section by section. At the end of her presentation, Rep. Earle gave the history on how things got to this point. She stated that in the end the committee had come up with good legislation.

The Committee received comments and answers to some of the Members' questions from Nancy Corton, Deputy Director of the Division of Social Services, Sharnese Ransome, Special Assistant to the Director, Jane Smith, Department of Social Services, and Kevin Fitzgerald, Director of the Division of Social Services.

At this point the committee was ready to take a vote. A motion was made for a favorable report as to committee substitute bill. The bill received a favorable report, and was reported out on July 1, 1999. (See Attachment).

### <u>Adjournment</u>

The meeting adjourned at 12:50 p.m.

House Welfare Reform Minutes July 1, 1999 Page Two

Respectfully submitted,

Presiding Co/Chair, Rep. Beverly Earle

Ann Raeford, Committee Clerk

Attachment I
Attachment II

Attachment III

Attachment IV

Attachment V

Agenda

House Bill 11243

**Bill Summary** 

1999 Committee Report

Visitor Registration

# HOUSE WELFARE REFORM

JULY 1, 1999 12:00 P.M.

**OPENING** 

REP. BEVERLY EARLE

REPORT

**COMMITTEE SUBSTITUTE** 

**PRESENTATION** 

GANN WATSON (STAFF) JO MCCANTS (STAFF)

# GENERAL ASSEMBLY OF NORTH CAROLINA **SESSION 1999**

D H

### **HOUSE BILL 1243** Proposed Committee Substitute H1243-PCS1304-LN

(Public)

## April 15, 1999

A BILL TO BE ENTITLED

AN ACT TO MAKE CHANGES TO THE WORK FIRST LAW PERTAINING TO **SUPPORT** SERVICES, PAY-FOR-**MAINTENANCE** EFFORT. OF 3 PERFORMANCE FOR TWO-PARENT FAMILIES, AND OTHER AREAS OF 4 WELFARE REFORM.

6 The General Assembly of North Carolina enacts:

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Support services under North Carolina's Temporary 7 Section 1.(a) 8 Assistance for Needy Families (TANF) State Plan shall be available to families whose 9 family income does not exceed two hundred percent (200%) of the federal poverty 10 level. Other services, including pregnancy prevention, child protection, family 11 preservation, job retention, and tracking and follow-up activities, may be provided 12 without regard to income. Work-related services under TANF may be provided to a 13 noncustodial parent of a minor child whose custodial parent is a TANF recipient, or 14 to a noncustodial parent of a minor child in a child-only case, except that no work-15 related services shall be provided to the noncustodial parent if the services would 16 limit or reduce Work First assistance to the custodial parent or caretaker and 17 children. In order to be eligible for work-related services under this subsection, the 18 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 21 move to higher levels of economic self-sufficiency, counties are encouraged to advise 22 eligible persons who are interested in pursuing postsecondary education or training of 23 the support services that are available during enrollment in these programs. Counties 1 should encourage eligible persons to consider postsecondary education or training 2 programs that are designed to increase earning potential and enhance career 3 advancement opportunities in high-demand and high-growth occupations.

Section 1.1. G.S. 108A-27.1 reads as rewritten:

### 5 "§ 108A-27.1. Time limitations on assistance.

- (a) Under the Standard Work First Program, unless an extension or an exemption 7 is provided pursuant to the provisions of the Part or the State Plan, any cash 8 assistance provided to a person or family in the employment program shall only be 9 provided for a cumulative total of 24 months. After having received cash assistance 10 for 24 months, the person or the family may reapply for cash assistance, but not until 11 after 36 18 months from the last month the person or the family received cash 12 assistance. This subsection shall not apply to child-only cases.
- Electing Counties may set any time limitations on assistance it finds 13 14 appropriate, so long as the time limitations do not conflict with or exceed any federal 15 time limitations."

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 18 First Program:

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Describe authorized federal and State work activities; activities. (2) 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:

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A description of eligible federal and State work activities; (4) 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."

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

"The Department shall have the following general duties with respect to the Work 41 First Program:

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(9) Develop and implement a system to monitor and evaluate the impact of the Work First Program on children and families,

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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 16 First Program:

> Ensure that two-parent families receive cash assistance for three (1c)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 26 subdivision to read:

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

Provisions to ensure that two-parent families receive cash (1c)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.(a) 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 40 computed based on the percentage of each county's total AFDC (including AFDC-41 EA) and JOBS expenditures, except expenditures for cash assistance, to statewide 42 actual expenditures for those programs in fiscal year 1995-96. The resulting 43 percentage shall be applied to the State's total certified budget enacted by the 44 General Assembly for each fiscal year, except funds budgeted for Work First Family

Page 3 House Bill 1243

1 Assistance, for Work First Program expenditures at the county level. for State funds 2 budgeted for State and county demonstration projects authorized by the General 3 Assembly and for Work First Family Assistance payments.

- (b) The following shall apply to funding for Standard Program Counties:
  - 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.
  - The Department shall reimburse counties for county expenditures (2) under the Work First Program subject to the availability of federal, State, and county funds.
- (e) Each Electing County's allocation for Work First Family Assistance shall be 12 computed based on the percentage of each Electing County's total expenditures for 13 eash assistance to statewide actual expenditures for eash assistance in 1995-96. The 14 resulting percentage shall be applied to the federal TANF block grant funds 15 appropriated for eash assistance by the General Assembly each fiscal year. The 16 Department shall transmit the federal funds contained in the county block grants to 17 Electing Counties as soon as practicable after they become available to the State and 18 in accordance with federal cash management laws and regulations. The Department 19 shall transmit one-fourth of the State funds contained in county block grants to 20 Electing Counties at the beginning of each quarter. Once paid, the county block grant 21 funds shall-not-revert."

Section 3.(b) Notwithstanding Section 5 of S.L. 1999-237, funds from the 23 Temporary Assistance to Needy Families (TANF) Block Grant for the fiscal year 24 ending June 30, 2000, for Work First Cash Assistance are appropriated as follows:

Work First Cash Assistance \$171,035,000. 01.

Section 3.(c) Section 5 of S.L. 1999-237 is amended by adding a new 27 subsection to read:

"Section 5.(t) Of the funds appropriated in this section to the Department of 29 Health and Human Services, Division of Social Services, in the TANF Block Grant 30 for the 1999-2000 fiscal year, the sum of six million one hundred eighty-nine 31 thousand twenty-five dollars (\$6,189,025) shall be used to make grants for work first 32 pilot programs developed in collaboration with the Employment Security 33 Commission, business entities, faith communities, educational institutions, law 34 enforcement agencies, community organizations, and other human services agencies, 35 These pilot programs shall be designed to address problems of families with 36 significant employment barriers to economic self-sufficiency and to reduce or prevent 37 intergenerational poverty. The pilot programs shall target one or more of the 38 following outcomes:

- To improve work advancement, job training, and wage (1) improvement of noncustodial parents and to promote responsible fatherhood.
- <u>(2)</u> To involve preschool-aged children in programs designed to develop and enhance science-based cognitive development activities and to expand access to such programs.

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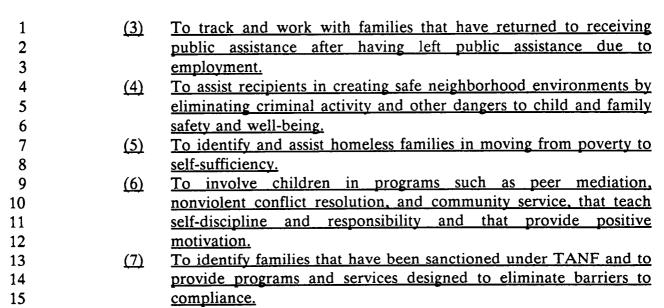
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To assist families with special problems such as language barriers. (8)

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 20 grant proposals shall contain specific goals and objectives and an evaluation 21 mechanism with which progress towards attaining these goals and objectives can be 22 measured. All grant proposals shall provide evidence of collaboration between agencies in developing or administering the program or both. All pilot programs 24 under this subsection shall be required to report on the program to the Department 25 of Health and Human Services.

The Secretary of the Department of Health and Human Services shall, in 27 consultation with the Employment Security Commission, the Department of Public 28 Instruction, the Office of Juvenile Justice, the local departments of social services, 29 advocacy organizations, and other human services agencies, establish a set of 30 guidelines for reviewing, evaluating, and awarding the grants. The Department of 31 Health and Human Services shall make progress reports to the Joint Legislative 32 Public Assistance Commission, the Senate Appropriations Committee on Human 33 Resources, the House of Representatives Appropriations Subcommittee on Health 34 and Human Services, and the Fiscal Research Division at least quarterly, beginning 35 no later than December 1, 1999."

Section 4.(a) G.S. 108A-12 reads as rewritten:

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

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The Department shall define in the State Plan or by rule the term 39 "maintenance of effort" based on that term as defined in Title IV-A and shall provide 40 to counties a list of activities that qualify for federal maintenance of effort 41 requirements. the services that can be provided with TANF federal funds and with 42 State and county maintenance of effort funds. The Department shall work with 43 counties to allow flexibility in the spending of county, State, and federal funds so as

Page 5 House Bill 1243

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1 to maximize the use of resources while assuring that federal maintenance of effort 2 requirements are met.

- (b) If a county fails to comply with the maintenance of effort-requirement in 4 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 6 maintenance of effort requirements and that fail to meet the performance indicators 7 for reducing maintenance of effort shall submit a corrective action plan to the 8 Department and shall be subject to G.S. 108A-27.14. The Department may reduce 9 block grant allocations to counties that fail to meet maintenance of effort 10 requirements and performance indicators or may use some of the county's block 11 grant allocation to secure needed services for clients in that county. If a county fails 12 to comply with maintenance of effort requirements, the Director of the Budget may 13 also withhold State funds appropriated to the county pursuant to G.S. 108A-93.
- The Department shall maintain the State's maintenance of effort at one 15 hundred percent (100%) of the State certified budget enacted by the General 16 Assembly for programs under this Part during fiscal year 1996-97. At no time shall 17 the Department reduce or reallocate State or county funds previously obligated or 18 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, 20 counties shall maintain a financial commitment to the Work First Program equal to 21 the proportion of State funds allocated to the Work First Program. At no time shall a 22 Standard Program County reduce State or county funds previously obligated or 23 appropriated for child welfare services. Each standard county shall maintain funding 24 in Work First, child welfare, and related activities as defined by the Department at 25 one hundred percent (100%) of the county funds budgeted in State Fiscal Year 1996-26 97 for AFDC Administration, JOBS employment and training, and AFDC 27 Emergency Assistance (cash and services). A county may request to reduce its block 28 grant and maintenance of effort if that county can demonstrate that it is meeting all 29 the needs of its clients, as defined by the Department's performance indicators, 30 without spending all of the block grant funds. The needs of clients include child 31 protection, employment services, and related supportive services such as child care. 32 The Department may reallocate any State or federal funds released from a county 33 that reduced its maintenance of effort or from counties not spending their block 34 grants. Funds reallocated to counties will require county match.
- (e) During the first year a county operates as an Electing County, the county's 36 maintenance of effort shall be no less than ninety percent (90%) of the amount the 37 county budgeted for programs under this Part during fiscal year 1996-97. If during the 38 first year of operation as Electing the Electing County achieves one hundred percent 39 (100%) of its goals as set forth in its Electing County Plan, then the Electing County 40 may reduce its maintenance of effort to eighty percent (80%) of the amount the 41 county budgeted for programs under this Part during fiscal year 1996-97 for the 42 second year of the Electing County's operation and for all years thereafter that the 43 county maintains Electing Status.

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(f) The Department may realign funds if the realignment will assure that 1 maintenance of effort requirements are met while maximizing federal revenues."

Section 4.(b) Notwithstanding G.S. 108A-27.12(e), during the 1999-2000 4 fiscal year, Electing Counties maintenance of effort shall be no less than ninety 5 percent (90%) of the amount the county budgeted for programs under this Part 6 during fiscal year 1996-97. If during the 1999-2000 fiscal year the Electing County 7 achieves one hundred percent (100%) of its goals as set forth in its Electing County 8 Plan, then the Electing County may reduce its maintenance of effort to eighty percent 9 (80%) of the amount the county budgeted for programs under this Part during fiscal 10 year 1996-97 for the next year of the Electing County's operation and for all years 11 thereafter that the county maintains Electing Status.

Section 4.(c) The Department of Health and Human Services shall 13 report quarterly on the extent to which the State and counties are meeting federal 14 maintenance of effort requirements under Temporary Assistance for Needy Families 15 and on any realignment of funds. The Department and the counties shall work 16 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 18 Appropriations Subcommittee on Health and Human Services, the Senate 19 Appropriations Committee on Human Resources, and the Joint Legislative Public 20 Assistance Committee, and to the Fiscal Research Division.

Section 4.(d) The Department shall continue to work with counties, area 22 mental health authorities, and other public and private entities or partnerships that 23 provide services to Temporary Assistance for Needy Families recipients paid for with 24 State and local funds to identify those services and activities that meet federal 25 maintenance of effort requirements. The Department shall report the status of 26 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 29 subdivision to read:

"(a) The duties of the county boards of commissioners in Electing Counties under 31 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:
  - Ensure that time limitations on assistance have been <u>a.</u> computed correctly:
  - Ensure that the family is informed in writing about public <u>b.</u> assistance benefits, including child care, Medicaid, and food stamps, for which the family is eligible even while cash assistance is no longer available;
  - Provide for an extension of cash assistance benefits if the <u>c.</u> family qualifies for an extension; and

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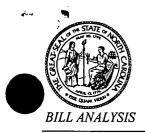
House Bill 1243

1	d. Review family status and assist the family in identifying
2	resources and support the family needs to maintain
3	employment and family stability."
4	Section 5.(b) G.S. 108A-27.4(e) is amended by adding the following new
5	subdivision to read:
6	"(e) Each county shall include in its County Plan the following:
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8	(7) The process by which the county will review all Work First
9	caseloads no later than three months prior to expiration of time
10	limitations for receiving cash assistance to:
11	a. Ensure that time limitations on assistance have been
12	computed correctly;
13	b. Ensure that the family is informed in writing about public
14	assistance benefits, including child care, Medicaid, and food
15	stamps, for which the family is eligible even while cash
16	assistance is no longer available;
17	c. Provide for an extension of cash assistance benefits if the
18	family qualifies for an extension; and
19	d. Review family status and assist the family in identifying
20	resources and support the family needs to maintain
21	employment and family stability."
22	Section 5.(c) G.S. 108A-27.4 is amended by adding the following new
	subsection to read:
24	"(h) Electing counties shall have an emergency assistance program for Work First
25	eligible families, as defined in the electing county plan. Counties may establish
26	income eligibility for emergency assistance at or below two hundred percent (200%)
27	of the federal poverty level."
28	Section 5.(d) G.S. 108A-27.7 is amended by adding the following new
29	subsection to read:
30	"(d) Standard counties shall have an emergency assistance program for Work First
31	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."
34	Section 5.(e) G.S. 108A-27.6(a) is amended by adding the following new
35	subdivision to read:
36	"(a) Except as otherwise provided in this Article, the Standard Work First
37	Program shall be administered by the county departments of social services. The
38	county departments of social services in Standard Program Counties shall:
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40	(10) Ensure that all Work First cases are reviewed no later than three
41	months prior to expiration of time limitations for receiving cash
42	assistance to:
43	a. Ensure that time limitations on assistance have been
44	computed correctly:

1		<u>b.</u>	Ensure that the family is informed about public assistance
2			benefits, including child care, Medicaid, and food stamps,
3			for which the family is eligible even while cash assistance is
4			no longer available;
5		<u>c.</u>	Provide for an extension of cash assistance benefits if the
6			family qualifies for an extension; and
7		<u>d.</u>	Review family status and assist the family in identifying
8			resources and support the family needs to maintain
9			employment and family stability."
10	Sectio		G.S. 108A-27.2 is amended by adding the following new
11	subdivision to read		
12	"The Departme	ent sha	all have the following general duties with respect to the Work
13	First Program:		
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15	<u>(14)</u>		w the county Work First Program of each electing county
16			recommend whether the county should continue to be
17		desig	nated an electing county or whether it should be redesignated
18		as a	standard county. In conducting its review and making its
19		recon	nmendation, the Department shall:
20		<u>a.</u>	Examine and consider the results of the Department's
21			monitoring and evaluation of the impact of the electing
22			county's Work First Program as required under subdivision
23			(9) of this section;
24		<u>b.</u>	Determine whether the electing county's Work First
25			Program's unique design requires implementation by an
26			electing county or whether the Work First Program could be
27			implemented by a county designated as a standard county;
28		<u>c.</u>	Determine whether the electing county's Work First
29		_	Program and policies are unique and innovative in meeting
30			the purpose of the Work First Program as stated under G.S.
31			108A-27, and State and federal laws, rules, and regulations,
32			as compared to other standard and electing county Work
33			First programs.
34		The	Department shall make its recommendation and the reasons
35			for to the Joint Legislative Public Assistance Commission not
36			than three months prior to submitting the State Plan to the
37			mission for review as required under G.S. 108A-27.9(a)."
38	Section		Cash assistance payments under Work First shall be calculated
39			of need that was in effect for the 1997-1998 fiscal year. The
40	Department of H	ealth	and Human Services shall make the necessary changes to the
41	Temporary Assist	ance f	or Needy Families State Plan to comply with this section.
42			The Department of Health and Human Services and the
			ortation shall work together to develop strategies and methods
			workers receiving Work First Assistance in obtaining

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- 1 dependable, ongoing transportation to and from work, child care services, and
- 2 education activities. The Department of Health and Human Services and the
- 3 Department of Transportation shall jointly report on the development and
- 4 implementation of these strategies and methods no later than May 1, 2000. The
- 5 report shall be made to the Joint Legislative Public Assistance Committee and to 6 members of the House of Representatives Appropriations Subcommittee on Health
- 7 and Human Services and the Senate Appropriations Committee on Human
- 8 Resources.
- Section 9. This act is effective when it becomes law.



# **HOUSE BILL 1243:** Welfare Reform Changes

Committee:

Welfare Reform

July 1, 1999

Version:

Date:

Introduced by: Rep. Adams

Summary by: Jo B. McCants

Committee Co-Counsel

SUMMARY: The proposed committee substitute for House Bill 1243 makes several changes to the current Work First statutory provisions. The bill would allow the State Plan to provide TANF benefits to families whose family income does not exceed 200% of the federal poverty level. Other services including pregnancy prevention, child protection, family preservation, job retention, tracking and follow-up activities, may be provided without regard to income. In addition, work-related services under TANF may be provided to a noncustodial parent of a minor child whose custodial parent is a TANF recipient and the noncustodial parent's income does not exceed 200% or a noncustodial parent of a minor child in a child-only case. This bill also encourages counties to make it possible for motivated persons to consider post-secondary education or training programs. This bill also makes the following substantive changes:

- 1) Reduces the period that a person must wait in standard counties to reapply for cash assistance from 36 months to 18 months.
- 2) Allows part-time enrollment in a post-secondary education program to be considered a work activity for up to 20% of Work First recipients. A recipient who is enrolled, at least part-time, in a post-secondary education program that has a 2.5 grade point average will have their 2-year time limit suspended for up to 3 years.
- 3) Requires the Department to implement a system to monitor and also evaluate the impact of the Work Fist Program on children and families, including the impact on the Program on job retention and advancement.
- 4) Requires the Department to ensure that qualified two-parent families receive assistance for 3 months after qualifying for assistance. This requirement must also be placed in the State Plan. Cash assistance or diversion assistance received prior to being subject to pay for performance requirements is limited to once within a 12-month period.
- 5) Deletes the provision that allocates funds to electing counties for Work First Family Assistance based on the percentage of each Electing County's total expenditures for cash assistance in 1995-96.
- 6) Appropriates \$171,035.000 from the TANF Block Grant for the fiscal year ending June 30, 2000 for Work First Cash Assistance. In addition, appropriates \$6,189,025.000 from the TANF Block Grant for the 1999-2000 fiscal year to be used to make grants to pilot programs developed to address problems of families with significant employment barriers to economic self-sufficiency and to reduce or prevent intergenerational poverty.
- 7) Requires the Department to define in the State Plan the services that can be provided with TANF funds, as well as, maintenance of effort funds. Also, allows the Department

to reduce block grant allocations to counties that fail to meet MOE requirements and performance indicators or may use some of the county's block grant allocation to secure needed services for clients in that county.

- 8) Allows a standard county to request a reduction in its block grant and MOE if it can demonstrate that it is meeting all the needs of its clients without spending all of the block grant funds. Gives the Department the authority to reallocate any State or federal funds released from a county that reduced its MOE or did not spend its entire block grant. Funds reallocated to counties will require a county match.
- 9) Allows the Department to realign funds if the realignment will assure that MOE requirements are met while maximizing federal revenues.
- 10) Requires the Department to report quarterly on whether the State and counties are meeting federal MOE requirements and on any realignment of funds.
- 11) Requires the county boards of commissioners in electing counties, and the county departments of social services in standard counties to review Work First cases at least 3 months prior to the expiration of the time limitations for receiving cash assistance.
- 12) Requires the Department to review the county Work First Programs of each electing county and recommend whether the county should continue to be designated as an electing county.

#### **BILL ANALYSIS:**

This bill makes TANF support services available to families whose income does not exceed 200% of the federal poverty level. Work-related services would also be available to families whose income does not exceed 200% of the federal poverty level. Under the current State Plans these benefits are only available to families whose income does not exceed 150% of the poverty level.

The bill reduces the waiting period in standard counties for reapplying for cash assistance to 18 months. Current law provides that after receiving cash assistance for 24 months, a person or a family must wait 36 months from the last month the person or family received cash assistance before reapplying.

The Department would be required to consider part-time enrollment in a post-secondary education program by a Work First recipient to constitute a work activity for up to 20% of the recipients. The recipient would be required to maintain a 2.5 grade point average, and if so the recipient's two-year time limit would be suspended for up to three years.

This bill also requires that the Department ensure that qualified two-parent families receive assistance for three months after qualifying for assistance. Cash assistance or diversion assistance received prior to being subject to pay for performance requirements is limited to one time within a twelve-month period. The purpose of this requirement is to encourage families to state together and to overcome barriers of self-sufficiency and gainful employment.

This bill deletes the Work First Family Assistance exception for Work First Program expenditures at the county level. It also deletes the provision that allocates funds to electing counties for Work First Family Assistance based on the percentage of each Electing County's total expenditures for cash assistance to statewide actual expenditures for cash assistance in 1995-96. As a result of these changes, the availability

of TANF funds for cash assistance to families will be the same for Standard and Electing counties. All counties will be reimbursed for actual expenditures.

An appropriation from the TANF Block Grant is made to the Department to provide grants to pilot programs to address problems of families with significant barriers to self-sufficiency.

The Department has numerous duties with respect to the Work First Program. This bill would add to those duties the requirement that the Department ensure that all Work First Programs (standard and electing county programs) include in its eligibility criteria, the Medicaid Standard of Need for the Categorically Needy. The term "standard of need" refers to the amount of income a family may earn and still qualify for Work First Assistance. This bill would require the Department to make the necessary changes to the State Plan so that the current standard being applied by the Department would continue.

The bill also adds to the Department's duties the requirement that the Department review the Work First Program of each electing county. The Department would be required to make a recommendation to the Joint Legislative Public Assistance Commission stating whether the electing county should remain electing or be redesignated as a standard county. When conducting its review and making a recommendation, DHHS must:

- 1) Examine and consider the results of the Department's monitoring and evaluation of the impact of the electing county's program on children and families;
- 2) 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;
- 3) Determine whether the electing county's Work First Program and policies are unique and innovative in meeting the purpose of the Work First Program, State and federal laws, rules, and regulations, as compared to other standard and electing county programs.

The bill also requires both standard and electing counties to review Work First cases no later than three months prior to the expiration of the time limitation for receiving cash assistance. The review must:

- 1) Ensure that the time limitations on assistance have been computed correctly;
- 2) Ensure that the family is informed about public assistance benefits for which the family is eligible even while cash assistance is no longer available;
- 3) Provide for an extension of cash assistance benefits if the family qualifies for an extension; and
- 4) Review family status and assist the family in identifying resources and support the family needs to maintain employment and family stability.

The act is effective when it becomes law.

IV

# 1999 COMMITTEE REPORT HOUSE OF REPRESENTATIVES

By Representative(s) Beverly Earle and Stan Fox for the Committee on WELFARE REFORM.		
لسسا	Committee Substitute for  1. 1243 A BILL TO BE ENTITLED AN ACT TO MAKE CHANGES TO THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES LAW PERTAINING TO THE MEDICAID STANDARD OF NEED, PAY-AFTER-PERFORMANCE FOR TWO- PARENT FAMILIES, TIME LIMITATIONS ON ASSISTANCE, AND OTHER RELATED MATTERS.	
	With a favorable report.	
	With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations Finance .	
	With a favorable report, as amended.	
	With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations [ Finance [ ].	
	With a favorable report as to committee substitute bill ( ), which changes the title, unfavorable as to (original bill) (and recommendation that the committee substitute bill be rereferred to the Committee on APPROPRIATIONS.)	
	With a favorable report as to House committee substitute bill (# ), \( \subseteq \) which changes the title, unfavorable as to Senate committee substitute bill.	
	With an unfavorable report.	
	With recommendation that the House concur.	
	With recommendation that the House do not concur.	
	With recommendation that the House do not concur; request conferees.	
	With recommendation that the House concur; committee believes bill to be material.	
	With an unfavorable report, with a Minority Report attached.	
	Without prejudice.	
	With an indefinite postponement report.	
	With an indefinite postponement report, with a Minority Report attached.	
	With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)  2/24/99	

# **VISITOR REGISTRATION SHEET**

WELFARE REFORM	July 1, 1999
Name of Committee	Date
VISITORS: PLEASE SIGN BELOW AN	ND RETURN TO COMMITTEE CLERK
NAME	FIRM OR AGENCY AND ADDRESS
Michelle Cotton	DMHIDOISAS
AL DETTIA	6 IAY AOD
Soriai Schwidt	NC Sustice Coults
Paula Wolf	Covenant w) Nc's Children
Skansmal	055
Marin Cartas	1095
Kevin ForDerahl	NCOHHS-DSS
Karen Anderson	NCDHH5-DSS
Phein Beal	NC DHAS-QSS
Jane Smith	NCDSS
A. Quent-Farme	- NC DCD
VAnne Winia	Neno
Coz aunt	we chied come Coalition
Jones Joursen	