

GENERAL ASSEMBLY OF NORTH CAROLINA
1995 SESSION

CHAPTER 368
SENATE BILL 706

AN ACT TO AUTHORIZE CABARRUS COUNTY TO ESTABLISH AN AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) AND FOOD STAMP WORKFARE PILOT PROGRAM AND AN ADJUNCT DEMONSTRATION PROGRAM MODIFYING THE JOBS PROGRAM.

The General Assembly of North Carolina enacts:

Section 1. Notwithstanding any law to the contrary, the Department of Human Resources shall designate Cabarrus County as a pilot county for the purpose of conducting a demonstration Workfare Program for certain Aid to Families with Dependent Children (AFDC) and Food Stamp recipients. Immediately upon the ratification of this act, the Department shall seek all federal waivers necessary to allow this demonstration program. To the extent that this act or the program established pursuant to it conflicts with any State law, the program supersedes that law.

Sec. 2. (a) The Cabarrus County demonstration Workfare Program for certain AFDC and Food Stamp recipients shall:

- (1) Provide job opportunities to all able-bodied AFDC and Food Stamp recipients who:
 - a. Are not eligible for the JOBS program;
 - b. Are between the ages of 18 and 64;
 - c. Are not caring for a child under one year of age;
 - d. Are working less than 30 hours per week; and
 - e. Are not full-time high school students or the equivalent;
- (2) Create job opportunities in the public, the private, nonprofit, and the private, for-profit sector, primarily in the human services areas by allowing Cabarrus County to use grant diversions, consisting of the AFDC benefits and the cash value of Food Stamps that would be paid to otherwise eligible recipients to match employer funds, to subsidize the employment of these recipients. Human service area jobs will meet such socially necessary needs as day care work, nursing home aide work, and in-home aide work;
- (3) Allow wages paid to these recipients, which contain grant-diverted funds, to be exempt from income for purposes of determining eligibility for assistance;
- (4) Structure payment of wages to these recipients such that they will be considered income, in order to make recipients eligible for the federal earned income tax credit;

- (5) Create work experience opportunities in the private sector more realistically to reflect the world of work;
 - (6) Require these recipients to participate in the development of an opportunity contract, outlining the responsibilities of the recipient and agency, as well as the incentives for compliance and the sanctions for noncompliance;
 - (7) Require all these recipients who participate in the program to pursue and accept employment, full or part time, subsidized or unsubsidized, as a condition for continued eligibility for AFDC and Food Stamp assistance;
 - (8) Require job search training of all participants;
 - (9) Require monitored job search of all participants until employment is found or until other work activities of up to 40 hours per week are in place;
 - (10) Provide child care by allowing Cabarrus County to use grant diversions, consisting of the Family Support Act child day care subsidies that would be paid to otherwise eligible recipients, and transportation as required;
 - (11) Create a positive work incentive by providing wage incentives to participants who are in compliance with the program, equal to the first thirty dollars (\$30.00) and one-third of the remainder of monthly gross income for a period of up to two years;
 - (12) Provide enhanced Food Stamp benefits after participants are employed and are in program compliance by using the thirty dollar (\$30.00) and one-third of the remainder wage incentive as an income exemption;
 - (13) Provide time-limited sanctions, or withholding of benefits for the adult members of the household of all AFDC and Food Stamp benefits for noncompliance, beginning with the first sanction period equal to the time necessary to come into compliance, second sanction period – four months, third and subsequent sanctions – eight months; and
 - (14) Provide automatic Medicaid coverage for children and pregnant adults of sanctioned families by transferring the children administratively to the Medicaid for Indigent Children (MIC) Program and by transferring the pregnant adults administratively to the Medicaid for Pregnant Women (MPW) Program.
- (b) An adjunct program to the demonstration program prescribed in subsection (a) of this section shall:
- (1) Require AFDC recipients who are mandated JOBS participants to pursue and accept employment, full or part time, subsidized or unsubsidized, as part of their job plan. The maximum number of hours delegated to job activities, including employment, shall be 40 hours per week. AFDC recipients who are JOBS eligible and who are caring for children under five years of age shall, in this program, not be limited to 20 hours per week;

- (2) Require AFDC recipients who are potential JOBS participants to engage in job search until either employment is found or they become JOBS eligible; and
- (3) Ensure that sanctions for noncompliance and provision of Medicaid coverage shall be as provided in subdivisions (13) and (14) of subsection (a) of this section.

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

Sec. 4. The Department of Human Resources shall evaluate the Cabarrus County Demonstration Project and report to the General Assembly on or before March 1, 1997.

Sec. 5. This act becomes effective July 1, 1995 and shall expire on July 1, 1997.

In the General Assembly read three times and ratified this the 30th day of June, 1995.

Dennis A. Wicker
President of the Senate

Harold J. Brubaker
Speaker of the House of Representatives