

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

**SENATE BILL 113
RATIFIED BILL**

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

The General Assembly of North Carolina enacts:

SECTION 1. S.L. 1998-106 reads as rewritten:

"Section 1. Notwithstanding any law to the contrary, the Department of Health and Human Services shall ~~designate~~ continue designation of Cabarrus County as a pilot county for the purpose of conducting a demonstration ~~Workfare Program welfare reform program~~ for certain Work First and Food Stamp recipients. Immediately upon the ratification of this act, the Department shall ~~seek~~ ensure that all federal waivers necessary to allow this demonstration ~~program~~ program to continue are obtained. 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. The Cabarrus County demonstration ~~Workfare~~ Work Over Welfare Program for certain Work First and Food Stamp recipients shall:

- (1) Provide job opportunities to all able-bodied Work First and Food Stamp recipients who are required to participate in the Work First employment ~~program~~ program;
- (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 Work First 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~~ agreement 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 Work First 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 child day care subsidies that would be paid to otherwise eligible recipients, and transportation as required;~~
- ~~(11) (10) 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; program by using the job bonus as outlined in the Work First Policy Manual for both Work First and Food Stamp benefits;~~
- ~~(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) (11) Provide (i) a pay for performance system that withholds the entire Work First benefits for the household for the month following any month in which it fails to comply with Work First participation requirements and restores these benefits for the month following any month in which it successfully complies with Work First participation requirements, and, to ensure that children in sanctioned households are not harmed, (ii) social worker monitoring and the use of direct vendor payments or assistance from other community resources for rent, utilities, or other basic needs of children, as necessary, during the period in which the household is sanctioned; for a system in which the Work First cash assistance case is terminated following the first month of noncompliance, with restoration of assistance after the client agrees to comply with requirements and files a new application. To ensure that children in terminated households are not harmed, provide social worker monitoring and the use of direct vendor payments or assistance from other community resources for rent, utilities, or other basic needs of children as necessary, during the period in which assistance for the household is terminated. This period of social worker monitoring shall coincide with the period of time that the household would have been, as a Work First case, under a three-month pay-for-performance sanction system and shall not exceed three months from the date of termination.~~
- ~~(14) (12) 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. Provide for all individuals to be evaluated for ongoing Medicaid and children to be evaluated for Health Choice eligibility any time Work First terminates. This act shall not alter any individual's eligibility for Medicaid or Health Choice as set out in State and Federal law or regulation.~~
- (13) Require that a recipient who voluntarily terminates employment without good cause be ineligible for Work First until the individual returns to work, provided work opportunities are available. Provide employment services for 30 days to assist the individual in obtaining employment;
- (14) Require applicants for Work First to meet with child support staff within 10 days of application. Failure or refusal to pursue child support without good cause is grounds for denial of benefits;

- (15) Provide that an applicant may be eligible for a one-time Work First diversion payment in an amount not exceeding one thousand two hundred dollars (\$1,200). Applicants receiving the diversion payment shall not be eligible for ongoing Work First benefits for a period of three months from the date of receipt of the diversion payment. Individuals receiving a diversion payment must attend budgetary counseling and may be required to have a protective payee for the diversion payment;
- (16) Provide that the period of exemption from participation in employment services for a parent of a newborn child is three months. If a recipient returns to work within six weeks of childbirth, the recipient may reclaim the remainder of the three-month exemption if the recipient chooses not to continue working during the initial six-week period;
- (17) In ongoing Work First cases, require family reassessment of service needs when the family circumstance changes due to an able-bodied, financially responsible adult moving into the home. Family reassessment may result in benefit diversion, change in services, or termination from Work First program participation;
- (18) Not sanction individuals who demonstrate that they cannot meet program requirements because necessary child care is not available.

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

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

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

SECTION 2. This act is effective when it becomes law.
In the General Assembly read three times and ratified this the 1st day of August, 2001.

Beverly E. Perdue
President of the Senate

James B. Black
Speaker of the House of Representatives

Michael F. Easley
Governor

Approved _____m. this _____ day of _____, 2001