

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1997

SESSION LAW 1998-106
SENATE BILL 1422

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

The General Assembly of North Carolina enacts:

Section 1. Chapter 368 of the 1995 Session Laws, as rewritten by Section 24.16A of Chapter 18 of the 1995 Session Laws, Second Extra Session 1996, reads as rewritten:

"Section 1. Notwithstanding any law to the contrary, the Department of ~~Human Resources~~ Health and Human Services 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)~~ Work First 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~~ Work First and Food Stamp recipients shall:

- (1) Provide job opportunities to all able-bodied ~~AFDC~~ Work First 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; are~~ required to participate in the Work First employment 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 ~~AFDC~~ 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, 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~~ 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 ~~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;~~ (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;

- (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~~ 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 May 1, 1998.~~ September 1, 1998.

Sec. 5. This act becomes effective July 1, 1995 and shall expire on ~~January 1, 1999.~~ July 1, 2001."

Section 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19th day of August, 1998.

s/ Dennis A. Wicker
President of the Senate

s/ Harold J. Brubaker
Speaker of the House of Representatives