

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 1015 (PCS S1015-PCS8690)

SHORT TITLE: Welfare Reform Act of 1997

SPONSOR(S): Senator Bill Martin

FISCAL IMPACT

Yes () No (X) No Estimate Available ()

FY 1997-98 FY 1998-99 FY 1999-00 FY 2000-01 FY 2001-02

REVENUES

EXPENDITURES **NO ADDITIONAL STATE OR LOCAL FUNDS ARE NEEDED.**

POSITIONS:

**PRINCIPAL DEPARTMENT(S) &
PROGRAM(S) AFFECTED:**

Department of Human Resources
County Departments of Social Services

EFFECTIVE DATE: Upon ratification

BILL SUMMARY: The proposed legislation rewrites Part 2 of Chapter 108A of the General Statutes to replace the Aid to Families with Dependent Children (AFDC) program with a new Work First program pursuant to the 1996 federal welfare legislation repealing AFDC and establishing a federal block grant program for Temporary Assistance to Needy Families (TANF).

ASSUMPTIONS AND METHODOLOGY: The proposed legislation repeals the current AFDC program and replaces it with a new Work First program to conform with the 1996 federal welfare reform legislation. Even though the legislation makes significant changes to State welfare law, including the elimination of the entitlement status for assistance, it assumes that the current level of State and county funding available for the AFDC program will be used to support the new Work First program. This assumption is based on federal requirements that the

State maintain at least an 80% maintenance of effort in order to receive federal block grants funds and an 100% maintenance of effort in order to receive additional federal funds in the event of an economic downturn. Under federal law, maintenance of effort requires each state to maintain their level of welfare funding at the same level determined by a time period set by federal law. The Department of Human Resources has elected to maintain welfare funding at the 100% maintenance of effort and the proposed legislation requires counties to maintain the same maintenance of effort for funding as the State. Since the State has elected to maintain the 100% maintenance of effort, this legislation requires no additional state or local funds..

TECHNICAL CONSIDERATIONS: None.

FISCAL RESEARCH DIVISION

733-4910

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DATE: 4/30/97



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