

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 1015

Children & Human Resources Committee Substitute Adopted 4/30/97

Third Edition Engrossed 5/1/97

Short Title: Welfare Reform Act of 1997.

(Public)

Sponsors:

Referred to:

April 21, 1997

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE WELFARE REFORM ACT OF 1997.

The General Assembly of North Carolina enacts:

**PART 1. WORK FIRST PROGRAM.**

Section 1. The title of Part 2 of Article 2 of Chapter 108A of the General Statutes reads as rewritten:

"Part 2. ~~Aid to Families with Dependent Children.~~ Work First Program."

Section 2. G.S. 108A-24 reads as rewritten:

**"§ 108A-24. Definitions.**

As used in Chapter 108A:

(1) 'Applicant' is any person who requests assistance or on whose behalf assistance is requested.

(1a) 'County department of social services' means a county department of social services, consolidated human services agency, or other local agency designated to administer or provide services pursuant to this Article.

(2) 'Department' is the Department of Human Resources, unless the context clearly indicates otherwise.

- 1 (3) 'Dependent child' is a person under 18 years of age who is living with a  
2 ~~natural~~biological parent, adoptive parent, stepparent, or any other  
3 person related by blood, marriage, or legal adoption, in a place of  
4 residence maintained by one or more of such persons as his or their own  
5 home, and who is deprived of parental support or care; it shall also  
6 include a minor who has been eligible for AFDC who is now living in a  
7 foster-care facility or child-caring institution; it shall also include a  
8 dependent child in school under 21 years of age as provided by Titles  
9 IV-A and XIX of the Social Security Act.
- 10 (3a) 'Family' consists of a minor child or children and one or more of their  
11 biological parents, adoptive parents, or stepparents living together.
- 12 (3b) 'Federal TANF funds' means the Temporary Assistance for Needy  
13 Families block grant funds provided for in Title IV-A of the Social  
14 Security Act.
- 15 (4) Repealed by Session Laws 1983, c. 14, s. 3.
- 16 (5) 'Recipient' is a person to whom, or on whose behalf, assistance is  
17 granted under this Article.
- 18 (6) 'Resident,' unless otherwise defined by federal regulation, is a person  
19 who is living in North Carolina at the time of application with the intent  
20 to remain permanently or for an indefinite period; or who is a person  
21 who enters North Carolina seeking employment or with a job  
22 commitment.
- 23 (7) 'Secretary' is the Secretary of Human Resources, unless the context  
24 clearly indicates otherwise.
- 25 (8) 'State Plan' is the plan prepared by the Department for the State's Work  
26 First Program pursuant to this Article.
- 27 (9) 'Title IV-A' means the Social Security Act, 42 U.S.C. § 601, et seq., as  
28 amended by the Personal Responsibility and Work Opportunity  
29 Reconciliation Act of 1996, P.L. 104-193, and to other provisions of  
30 federal law as may apply to services provided in this Article.
- 31 (10) 'Work activities' shall include 'federal work activities' and 'State work  
32 activities'.
- 33 a. 'Federal work activities' are those activities that count toward the  
34 State's fulfillment of the work participation rate required by Title  
35 IV-A.
- 36 b. 'State work activities' are other activities authorized by the  
37 Department for receipt of Work First Family Assistance.
- 38 (11) 'Work First' is the temporary assistance to needy families program  
39 established in this Article.
- 40 (12) 'Work First Diversion Assistance' is a short-term cash payment that is  
41 intended to produce a substantial reduction in the likelihood of a family  
42 requiring Work First Family Assistance.

1           (13) 'Work First Family Assistance' is a program of time-limited periodic  
2           cash payments to assist in maintaining the children of eligible families  
3           while the adult family members engage in activities to prepare for  
4           entering and to enter the workplace.

5           (14) 'Work First Services' are services funded from appropriations made  
6           pursuant to this Article and designed to facilitate the purposes of the  
7           Work First Program. These services may include eligibility  
8           determination, child care, transportation, substance abuse treatment and  
9           counseling, education, job placement assistance, employment  
10           counseling, prevention of out-of-wedlock births, case management,  
11           emergency cash assistance, and other activities designed to help families  
12           become self-sufficient."

13           Section 3. G.S. 108A-25(a) reads as rewritten:

14           "(a) The following programs of public assistance are hereby established, and shall  
15 be administered by the county department of social services under supervision of the  
16 Department of Human Resources or the Department of Human Resources ~~under~~ pursuant  
17 to federal regulations or under rules and regulations adopted by the Social Services  
18 Commission ~~and under the supervision of the Department of Human Resources; or the~~  
19 Secretary of Human Resources:

20           (1) ~~Aid to families with dependent children;~~ Work First Program;

21           (2) State-county special assistance for adults;

22           (3) Food stamp program;

23           (4) Foster care and adoption assistance payments;

24           (5) Low income energy assistance program."

25           Section 4. G.S. 108A-27 reads as rewritten:

26           "~~§ 108A-27. Authorization of Aid to Families with Dependent Children Program.~~ Work  
27           First Program.

28           The (a) ~~The Department is authorized to~~ shall establish and supervise an ~~Aid to~~  
29 ~~Families with Dependent Children Program.~~ the Work First Program to provide temporary  
30 assistance to eligible children and families. This program is to ~~shall~~ be administered by  
31 county departments of social services ~~under federal regulations and rules and regulations of~~  
32 ~~the Social Services Commission.~~ in accordance with:

33           (1) This Article;

34           (2) The State Plan as defined in G.S. 108A-27.5; and

35           (3) Rules adopted pursuant to this Article by the Secretary or the Social  
36           Services Commission.

37           (b) The Department shall ensure that the Work First Program is established,  
38 supervised, and administered in compliance with federal law. The Department shall  
39 maximize federal receipts for the Work First Program.

40           (c) Whenever feasible, the Department shall ensure that as persons and families  
41 are moved to self-sufficiency, assistance shall be reduced and ended on a graduated basis  
42 rather than ending abruptly upon reaching the time limits established in State law for  
43 receiving assistance."

1 Section 5. Part 2 of Article 2 of Chapter 108A of the General Statutes is  
2 amended by adding the following new sections:

3 **"§ 108A-27.1. Assistance not an entitlement; State time limit on cash assistance.**

4 (a) Any assistance programs established under this Part are not entitlements, and  
5 nothing in this Part shall create any property right.

6 (b) Unless an extension or an exemption is provided pursuant to the provisions of  
7 the State Plan, any cash assistance under this Part that is provided to a person or a family  
8 in the employment program shall only be provided for a cumulative total of 24 months.  
9 After having received cash assistance for 24 months, the person or the family may  
10 reapply for cash assistance, but not until after 36 months from the last month the person  
11 or the family received cash assistance. This subsection does not apply to child-only  
12 cases.

13 **"§ 108A-27.2. Purpose; program description.**

14 (a) The purpose of the Work First Program is to provide short-term assistance in  
15 the form of cash and services to help persons and families move from public assistance to  
16 self-sufficiency through gainful employment.

17 (b) The Work First Program shall include program administration and three  
18 categories of assistance to participants:

19 (1) Work First Family Assistance;

20 (2) Work First Diversion Assistance; and

21 (3) Work First Services.

22 (c) Work First Family Assistance may be paid to eligible families or as 'child-only'  
23 benefits, as established in the State Plan, based on availability of funds, State and federal  
24 law, and Work First Program objectives.

25 (d) The Department may distinguish among potential groups of recipients on  
26 whatever basis necessary to enhance program purposes and to maximize federal revenues  
27 so long as the rights, including the constitutional rights of equal protection and due  
28 process, of individuals are protected. The Department may, however, deny Work First  
29 Program assistance to legal immigrants only on the same basis that federal law denies  
30 the use of federal TANF funds to legal immigrants.

31 **"§ 108A-27.3. Duties of Department.**

32 (a) The Department shall supervise the Work First Program. In supervising the  
33 Work First Program, the Department shall have the following duties:

34 (1) Prepare the State Plan in accordance with G.S. 108A-27.5 to submit to  
35 the Governor for approval;

36 (2) Submit the State Plan, as approved by the Governor, to the General  
37 Assembly for approval in accordance with G.S. 108A-27.5;

38 (3) Submit the State Plan, as approved by the Governor and the General  
39 Assembly, to the appropriate federal officials as required by federal law  
40 or regulation;

41 (4) Establish the requirements for content and a schedule for submission by  
42 counties of local block grant plans for Work First and review and  
43 approve the block grant plans submitted by the counties;

- 1           (5) Advise and assist the Social Services Commission in adopting rules  
2           necessary to implement the provisions of this Article;  
3           (6) Supervise disbursement of local block grant funds to counties for Work  
4           First Diversion Assistance and Work First Services;  
5           (7) Make payments of Work First Family Assistance and Work First  
6           Diversion Assistance;  
7           (8) Establish outcome and performance goals, in consultation with the  
8           county department of social services and county board of  
9           commissioners, based on economic factors and conditions for  
10           determining the performance of State and county agencies in the Work  
11           First Program and considering the well-being of children;  
12           (9) Coordinate activities of other State and county agencies in meeting the  
13           goals of the Work First Program;  
14           (10) Work with State and county agencies and with private sector  
15           organizations and individuals to develop programs and methods to meet  
16           the goals of the Work First Program;  
17           (11) Monitor and evaluate the impact of the Work First Program on children  
18           and families, including the impact of the Program on the economic  
19           security and health of children and families, child abuse and neglect,  
20           school attendance, and academic and behavioral performance; and  
21           (12) Monitor the performance of counties in achieving Work First Program  
22           expectations and provide monthly progress reports to the county  
23           department of social services and county board of commissioners.

24       (b) The Secretary may adopt temporary rules or delegate authority to the Social  
25 Services Commission to adopt temporary rules when necessary to:

- 26           (1) Implement provisions of the State Plan;  
27           (2) Maximize federal revenues to prevent the loss of federal funds;  
28           (3) Reduce State and county expenditures in current budgets;  
29           (4) Enhance the ability of the Department to prevent fraud and abuse in the  
30           Work First Program;  
31           (5) Modify the State Plan as necessary to meet changed circumstances after  
32           approval of the State Plan; and  
33           (6) Respond to any of the circumstances enumerated in G.S. 150B-21.1.

34       (c) The Social Services Commission may adopt rules in accordance with G.S.  
35 143B-153 when necessary to implement this Article and subject to delegation by the  
36 Secretary of any rule-making authority as set forth in subsection (b).

37 **"§ 108A-27.4. Duties of county departments of social services and county boards of**  
38 **commissioners.**

39       (a) Except as otherwise provided in this Article, the Work First Program shall be  
40 administered by the county departments of social services. The county departments of  
41 social services shall:

- 42           (1) Determine eligibility of persons and families for the Work First  
43           Program;

- 1           (2) Enter into Personal Responsibility Contracts with participants pursuant  
2 to the State Plan and ensure that the services and resources that are  
3 needed to assist participants to comply with their obligations under their  
4 Personal Responsibility Contracts are available;
- 5           (3) Comply with State and federal law relating to Work First and Title IV-  
6 A;
- 7           (4) Develop the local block grant plans for submission by the counties to  
8 the Department;
- 9           (5) Ensure that participants engage in the minimum hours of work activities  
10 required by the State Plan and Title IV-A; and
- 11           (6) Ensure that the components of the Work First Program are funded solely  
12 from authorized sources and that federal TANF funds are used only for  
13 purposes and programs authorized by federal and State law.

14       (b) Upon the prior approval of the Department and in consultation with the county  
15 board of commissioners, a county department of social services may delegate any of its  
16 duties under this Article to another public agency or private contractor. Prior to  
17 delegating any duty, a county department of social services shall submit its proposed  
18 delegation to the Department as the Department may provide. Notwithstanding any  
19 delegation of duty, a county department of social services shall remain accountable for its  
20 duties under the Work First Program.

21       (c) The county board of commissioners shall appoint a committee of individuals to  
22 identify the needs of the population to be served to review and assist in developing the  
23 county block grant plan to respond to the needs. The committee membership shall  
24 include, but is not limited to, representatives of the county board of social services, the  
25 board of the area mental health authority, the local public health board, the local school  
26 systems, the business community, the board of county commissioners and community-  
27 based organizations representative of the population to be served.

28       (d) The county board of commissioners shall review and approve the county block  
29 grant plan for submission to the Department.

30 **"§ 108A-27.5. State Plan.**

31       (a) The Department shall prepare and submit to the General Assembly for its  
32 review and approval every fiscal year, in accordance with the procedures established in  
33 G.S. 143-16.1 for federal block grant funds, a State Plan that proposes the terms of the  
34 Work First Program. Prior to submitting a State Plan to the General Assembly, the  
35 Department shall consult with local governments and private sector organizations  
36 regarding the design of the State Plan and allow 45 days to receive comments from them.  
37 The State Plan shall include:

- 38           (1) Benefit levels, limitations, and payments and the method for calculating  
39 benefit levels and payments;
- 40           (2) Eligibility criteria, including asset and income standards;
- 41           (3) A description of eligible federal and State work activities and work  
42 activity requirements for recipients and any exceptions or exemptions  
43 proposed to those requirements;

- 1           (4)    Provisions for when extensions may be granted to a person or family  
2            who reaches the time limit for receipt of benefits;
- 3           (5)    Requirements for assignment of child support income and compliance  
4            with child support enforcement activities;
- 5           (6)    Provisions for exceptions and exemptions to criteria, time limits, and  
6            standards;
- 7           (7)    Provisions for sanctions for recipient failure to comply with program  
8            requirements;
- 9           (8)    Terms and conditions for repayment of Work First Diversion Assistance  
10           by recipients who subsequently receive Work First Family Assistance;
- 11          (9)    Allocations of federal, State, and county funds for the Work First  
12            Program, including block grants to the counties for Work First  
13            Diversion Assistance and Work First Services;
- 14          (10) Levels of State and county funding for the Work First Program;
- 15          (11) Allocation for funding for administration at the State and local level not  
16            to exceed the federally established limitations on use of federal TANF  
17            funds for program administration;
- 18          (12) A description of the Department's consultation with local governments  
19            and private sector organizations and a summary of any comments  
20            received during the 45-day public comment period;
- 21          (13) Provisions to ensure that no Work First Program recipients, required to  
22            participate in work activities, shall be employed or assigned when:
- 23            a.    Any regular employee is on layoff from the same or substantially  
24                equivalent job;
- 25            b.    An employer terminates any regular employee or otherwise  
26                causes an involuntary reduction in the employer's workforce in  
27                order to hire Work First recipients; or
- 28            c.    An employer otherwise causes the displacement of any currently  
29                employed worker or positions, including partial displacements  
30                such as reductions in hours of nonovertime work, wages, or  
31                employment benefits, in order to hire Work First recipients;
- 32          (14) Provisions to ensure the establishment and maintenance of grievance  
33            procedures to resolve complaints by regular employees who allege that  
34            the employment or assignment of a Work First Program recipient is in  
35            violation of subdivision (13) of this section;
- 36          (15) Provisions to ensure that Work First Program participants, required to  
37            participate in work activities, shall be subject to and have the same  
38            rights under federal, State, or local laws applicable to non-Work First  
39            Program employees in similarly situated work activities, including, but  
40            not limited to, health and safety standards and nondiscrimination laws,  
41            provided that nothing in this subdivision shall be construed to prohibit  
42            Work First Program participants from receiving State or county services

1           designed to assist Work First Program participants achieve job stability  
2           and self-sufficiency; and

3           (16) Any additional provisions required by federal law to be included in the  
4           State Plan.

5           (b) In addition to those items required to be included pursuant to subsection (a) of  
6 this section, the State Plan may include proposals to establish the following:

7           (1) Demonstration projects in one or more counties to assess the value of  
8           any proposed changes in State policy or to test ways to improve  
9           programs;

10          (2) Individual Development Accounts as authorized by Title IV-A;

11          (3) Automatic Medicaid eligibility or Medicaid benefit expansion for Work  
12          First Program participants;

13          (4) Incentives for high-performing counties, contingency plans for counties  
14          unable to meet financial commitments during the term of the State Plan,  
15          and sanctions against counties failing to meet performance expectations,  
16          including allocation of any federal penalties that may be assessed  
17          against the State as a result of a county's failure to perform.

18          (c) The State Plan may provide that in cases where benefits are paid only for a  
19 child, the case is considered a family case.

20          (d) The State Plan may provide that recipients shall be required to enter into and  
21 comply with Personal Responsibility Contracts as a condition of receiving benefits. If  
22 provided for in the State Plan, the terms and conditions of Personal Responsibility  
23 Contracts shall be consistent with program purposes, federal law, and availability of  
24 funds.

25 **"§ 108A-27.6. Work First Family Assistance; program changes.**

26          The Department may change the Work First Family Assistance Program when  
27 required to comply with federal law. Any changes in federal law that necessitate a  
28 change in the Work First Program shall be effected by temporary rule until the next State  
29 Plan is approved by the General Assembly. Any change effected by the Department to  
30 comply with federal law shall be included in the State Plan submitted during the next  
31 session of the General Assembly following the change.

32 **"§ 108A-27.7. Exemption from federal limitations for individuals convicted of**  
33 **certain drug-related felonies.**

34          Individuals convicted of Class I controlled substance felony offenses in this State  
35 shall be eligible to participate in the Work First Program and food stamp program:

36          (1) Six months after release from custody if no additional controlled  
37          substance felony offense is committed during that period and successful  
38          completion of a required substance abuse treatment program determined  
39          appropriate by the county department of social services; or

40          (2) If not in custody, six months after the date of conviction if no additional  
41          controlled substance felony offense is committed during that period and  
42          successful completion of a required substance abuse treatment program  
43          determined appropriate by the county department of social services.



1 A county department of social services may, and is encouraged to, require substance  
2 abuse treatment as a condition for receiving Work First Program or food stamp benefits  
3 as appropriate.

4 **"§ 108A-27.8. Work First Program funding.**

5 (a) The Department shall provide in its State Plan a formula for determining the  
6 amount of local block grants.

7 (b) Counties shall be reimbursed for Work First Family Assistance by the  
8 Department, subject to the availability of federal, State, and county funds and  
9 appropriations by the General Assembly.

10 (c) Work First Diversion Assistance and Work First Services shall be funded  
11 through federal funds, county funds, and the county block grant from the State pursuant  
12 to the State Plan.

13 **"§ 108A-27.9. Maintenance of effort.**

14 (a) Using the preceding fiscal year as the base year, counties shall maintain a  
15 financial commitment to the Work First Program equal to the proportion of State funds  
16 allocated to the Work First Program.

17 (b) The Department shall define in the State Plan or by rule the term 'maintenance  
18 of effort' based on that term as defined in Title IV-A and shall provide to counties a list of  
19 activities that qualify for maintenance of effort requirements.

20 (c) If a county fails to comply with the maintenance of effort requirement in  
21 subsection (a) of this section, the Director of the Budget may withhold State moneys  
22 appropriated to the county pursuant to G.S. 108A-93.

23 **"§ 108A-27.10. County block grants.**

24 (a) Each county shall submit annually to the Department for approval a local block  
25 grant plan that describes the Work First Diversion Assistance and Work First Services the  
26 county proposes to offer.

27 (b) Prior to submitting its local block grant plan to the Department, a county shall  
28 provide the public with an opportunity to review and comment upon its local block grant  
29 plan.

30 (c) A county local block grant plan shall include a description of how the county  
31 will:

32 (1) Utilize both public and private resources to assist in moving persons and  
33 families to self-sufficiency; and

34 (2) Address the needs of persons and families in areas specified by the  
35 Department, including transportation, housing, child care, and skills  
36 training.

37 (d) The local block grant plan shall also include a description of the county's  
38 priorities for serving families who need child care based on the needs of the community  
39 and the availability of services and funding.

40 (e) The local block grant plan shall be adopted by the county commissioners prior  
41 to its submission to the State.

42 **"§ 108A-27.11. Performance standards; corrective action.**

1       (a) The Department, in consultation with the county department of social services  
2 and county board of commissioners, shall establish acceptable levels of performance by  
3 counties in meeting Work First expectations, measured by outcome and performance  
4 goals contained in the State Plan. Economic factors and conditions and the well-being of  
5 children shall be considered in establishing the goals.

6       (b) The Department shall establish monitoring mechanisms and reporting  
7 requirements to measure the goals.

8       (c) When a county fails to meet acceptable levels of performance, the Department  
9 may take one or more of the following actions to assist the county in meeting its Work  
10 First goals:

11           (1) Notify the county of the deficiencies and add additional monitoring and  
12 reporting requirements.

13           (2) Require the county to develop and submit for approval by the  
14 Department a corrective action plan.

15       If a county fails to meet acceptable levels of performance for two consecutive years,  
16 or fails to comply with a corrective action plan developed pursuant to this section, the  
17 Department may assume control of the county's Work First Program, appoint an  
18 administrator to administer the county's Work First Program, and exercise the powers  
19 assumed to administer the Work First Program either directly or through contract with  
20 private or public agencies. County funding shall continue at levels established by the  
21 State Plan when the State has assumed control of a county Work First Program. At no  
22 time after the State has assumed this control shall a county withdraw funds previously  
23 obligated or appropriated to the Work First Program.

24 **"§ 108A-27.12. Appeals.**

25       The Work First Program is a program of public assistance for purpose of an appeal  
26 under G.S. 108A-79."

27       Section 6. G.S. 108A-29 reads as rewritten:

28 **"§ 108A-29. Limitations on eligibility. Preference for employment services.**

29       ~~(a) The Social Services Commission shall adopt such administrative rules~~  
30 ~~concerning work requirements as conditions of eligibility for Aid to Families with~~  
31 ~~Dependent Children in order to be in compliance with federal regulations, but such rules~~  
32 ~~shall not be more restrictive than the work requirements applicable to the Job~~  
33 ~~Opportunities and Basic Skills Training Program provided for in G.S. 108A-30.~~

34       (b) ~~Members of families with dependent children and with aggregate family~~  
35 ~~income at or below the level required for eligibility for Aid to Families with Dependent~~  
36 ~~Children assistance, Work First Family Assistance, regardless of whether or not they have~~  
37 ~~applied for such assistance, shall be given priority in obtaining manpower employment~~  
38 ~~services including training and public service employment provided by or through State~~  
39 ~~agencies or with funds which are allocated to the State of North Carolina directly or~~  
40 ~~indirectly through prime sponsors or otherwise for the purpose of employment of~~  
41 ~~unemployed persons.~~

42       (c) [Repealed.]"

43       Section 6.1. G.S. 108A-35 reads as rewritten:

1 **"§ 108A-35. Removal to another county.**

2 Any recipient who moves from one county to another county of this State shall  
3 continue to receive public assistance if eligible. The county director in the county from  
4 which he has moved shall transfer all necessary records relating to the recipient to the  
5 county director of the county to which the recipient has moved. ~~The county from which the~~  
6 ~~recipient moves shall pay the amount of assistance to which the recipient is entitled for a period~~  
7 ~~of one month following his move, and thereafter the county to which the recipient has moved~~  
8 ~~shall pay such assistance."~~

9 Section 7. G.S. 108A-38 reads as rewritten:

10 **"§ 108A-38. Protective and vendor payments.**

11 ~~Instead of the use of personal representatives provided for by G.S. 108A-37, when~~ When  
12 necessary to comply with any present or future federal law or regulation in order to  
13 obtain federal participation in public assistance payments, the payments may be made  
14 direct to vendors to reimburse them for goods and services provided the applicants or  
15 recipients, and may be made to protective payees who shall act for the applicant or  
16 recipient for receiving and managing assistance. Payments to vendors and protective  
17 payees shall be made to the extent provided in, and in accordance with, rules and  
18 regulations of the Social Services Commission or the Department, which rules and  
19 regulations shall be subject to applicable federal laws and regulations."

20 Section 7.1. (a) G.S. 108A-39.1 reads as rewritten:

21 **"§ 108A-39.1. AFDC-Emergency Assistance Cash Program.**

22 The Social Services Commission shall adopt rules to implement ~~cash assistance and~~  
23 ~~services components of the Aid to Families with Dependent Children Emergency~~  
24 ~~Assistance (AFDC EA) the Emergency Assistance Cash Program. Effective November 1,~~  
25 ~~1986, July 1, 1997,~~ the Department of Human Resources, Division of Social Services,  
26 shall provide cash assistance to families whose family income does not exceed one  
27 hundred ten percent (110%) of the current federal poverty level as established by the U.  
28 S. Secretary of Health and Human Services and published annually in the Federal  
29 Register. Annual cash assistance shall not exceed three hundred dollars (\$300.00). ~~State~~  
30 ~~appropriations made for the nonfederal share of Emergency Assistance services and cash~~  
31 ~~benefits shall not exceed a rate of fifty percent (50%) of the nonfederal share. For cash~~  
32 ~~benefits authorized by any agency, the nonfederal share of the benefit shall be paid at a~~  
33 ~~rate of fifty percent (50%) State funds and fifty percent (50%) county or other local~~  
34 ~~funds. For cash benefits authorized by any State or local agency other than a county~~  
35 ~~department of social services, the Department of Human Resources may assess the~~  
36 ~~county for fifty percent (50%) of the nonfederal share of cash benefits authorized. For~~  
37 ~~services benefits authorized by any agency, the nonfederal share of the benefit shall be~~  
38 ~~paid by that agency entirely from county appropriations or other available public or~~  
39 ~~private funds. Federal reimbursements earned through participation in this Program shall~~  
40 ~~be paid to the participants in proportion to their payment of the nonfederal share. Time~~  
41 ~~limits and work requirements shall not apply to families due to the receipt of Emergency~~  
42 ~~Assistance Cash, and those families shall not be counted as part of the federal work~~  
43 ~~requirements quotient, except to the extent required by federal law, rule, or regulation."~~

1 (b) Funding for the Emergency Assistance Cash Program annually shall  
2 equal the total amount spent by federal, State, and local governments for the Title IV  
3 Emergency Assistance-Cash program in the 1996-97 fiscal year. The Department shall  
4 distribute the funds for this program to county departments of social services in an  
5 amount equal to the total federal, State, and local funds expended for this purpose in each  
6 county for the 1996-97 fiscal year.

7 Section 8. G.S. 108A-49(a) reads as rewritten:

8 "(a) Benefits in the form of foster care assistance shall be granted in accordance  
9 with the rules and regulations of the Social Services Commission to any dependent child  
10 who ~~is~~would have been eligible to receive ~~AFDC~~Aid to Families with Dependent  
11 Children (as that program was in effect on June 1, 1995), but for his or her removal from  
12 the home of a specified relative for placement in a foster care facility; provided, that the  
13 child's placement and care is the responsibility of a county department of social services."

14 Section 9. G.S. 108A-58 reads as rewritten:

15 "**§ 108A-58. Transfer of property for purposes of qualifying for medical assistance;**  
16 **periods of ineligibility.**

17 (a) Any person, otherwise eligible, who, either while receiving medical assistance  
18 benefits or within one year prior to the date of applying for medical assistance benefits,  
19 unless some other time period is mandated by controlling federal law, sells, gives, assigns  
20 or transfers countable real or personal property or an interest ~~therein, either by himself or~~  
21 ~~through his legal representative,~~in real or personal property for the purpose of retaining or  
22 establishing eligibility for medical assistance benefits, shall be ineligible to receive  
23 medical assistance benefits ~~thereafter~~ as set forth in subsection (c) of this section.

24 Countable real and personal property includes real property, excluding a homesite,  
25 intangible personal property, nonessential motor and recreational vehicles, nonincome  
26 producing business equipment, boats and motors. The provisions of this act shall not  
27 apply to the sale, gift, assignment or transfer of real or personal property if and to the  
28 extent that the person applying for medical assistance would have been eligible for such  
29 assistance notwithstanding ownership of such property or an interest therein.

30 (b) Any sale, gift, assignment or transfer of real or personal property or an interest  
31 ~~therein,~~in real or personal property, as provided in subsection (a) of this section, shall be  
32 presumed to have been made for the purpose of retaining or establishing eligibility for  
33 medical assistance benefits unless the person, or ~~his~~the person's legal representative, who  
34 sells, gives, assigns or transfers the property or interest, receives valuable consideration at  
35 least equal to the fair market value, less encumbrances, of the property or interest.

36 (c) Any person ~~who, by himself or through his legal representative,~~who sells, gives,  
37 assigns or transfers real or personal property or an interest ~~therein~~in real or personal  
38 property for the purpose of retaining or establishing eligibility for medical assistance  
39 benefits, as provided in subsection (a) of this section, ~~shall~~shall, after the time of transfer,  
40 be ineligible to receive these benefits ~~thereafter~~until an amount equal to the  
41 uncompensated value of the property or interest has been expended by or on behalf of the  
42 person for ~~his~~the person's maintenance and support, including medical expenses, paid or

1 incurred, or shall be ineligible in accordance with the following schedule, whichever is  
2 sooner:

- 3 (1) For uncompensated value of at least one thousand dollars (\$1,000) but  
4 not more than six thousand dollars (\$6,000), a one-year period of  
5 ineligibility from date of sale, gift, assignment or transfer;  
6 (2) For uncompensated value of more than six thousand dollars (\$6,000)  
7 but not more than twelve thousand dollars (\$12,000), a two-year period  
8 of ineligibility from date of sale, gift, assignment or transfer;  
9 (3) For uncompensated value of more than twelve thousand dollars  
10 (\$12,000), a two-year period of ineligibility from date of sale, gift,  
11 assignment or transfer, plus one additional month of ineligibility for  
12 each five hundred dollar (\$500.00) increment or portion thereof by  
13 which the uncompensated value exceeds twelve thousand dollars  
14 (\$12,000), but in no event to exceed three years.

15 (d) The sale, gift, assignment or transfer for a consideration less than fair market  
16 value, less encumbrances, of any tangible personal property which was acquired with the  
17 proceeds of sale, assignment or transfer of real or intangible personal property described  
18 in subsection (a) of this section or in exchange for such real or intangible personal  
19 property shall be presumed to have been for the purpose of evading the provisions of this  
20 section if the acquisition and sale, gift, assignment or transfer of the tangible personal  
21 property is by or on behalf of a person receiving medical assistance or within one year of  
22 making application for such assistance and the consequences of the sale, gift, assignment  
23 of transfer of such tangible personal property shall be determined under the provisions of  
24 subsections (c), (f) and (g) of this section.

25 (e) The presumptions created by subsections (b) and (d) may be overcome if the  
26 person receiving or applying for medical assistance, or ~~his~~the person's legal  
27 representative, establishes by the greater weight of the evidence that the sale, gift,  
28 assignment or transfer was exclusively for some purpose other than retaining or  
29 establishing eligibility for medical assistance benefits.

30 (f) For the purpose of establishing uncompensated value under subsection (c), the  
31 value of property or an interest therein shall be the fair market value of the property or  
32 interest at the time of the sale, gift, assignment or transfer, less the amount of  
33 compensation, if any, received for the property or interest. There shall be a rebuttable  
34 presumption that the fair market value of real property is the most recent property tax  
35 value of the property, as ascertained according to Subchapter II of Chapter 105 of the  
36 General Statutes. Fair market value for purpose of this subsection shall be such value,  
37 determined as above set out, less any legally enforceable encumbrances to which the  
38 property is subject.

39 (g) In the event that there is more than one sale, gift, assignment or transfer of  
40 property or an interest therein by a person receiving medical assistance or within one year  
41 of the date of an application for medical assistance, unless some other time period is  
42 mandated by controlling federal law, the uncompensated value, for the purposes of  
43 subsection (c), shall be the aggregate uncompensated value of all sales, gifts, assignments

1 and transfers. The date which is the midpoint between the date of the first and last sale,  
2 gift, assignment or transfer shall be the date from which the period of ineligibility shall be  
3 determined under subsection (c).

4 (h) This section shall not apply to applicants for or recipients of ~~aid to families with~~  
5 ~~dependent children~~ Work First Family Assistance or to persons entitled to medical  
6 assistance by virtue of their eligibility for ~~aid to families with dependent children~~. Work  
7 First Family Assistance.

8 (i) This section shall apply only to transfers made before July 1, 1988."

9 Section 10. G.S. 108A-80 reads as rewritten:

10 **"§ 108A-80. Confidentiality of records.**

11 (a) Except as provided in (b) below, it shall be unlawful for any person to obtain,  
12 disclose or use, or to authorize, permit, or acquiesce in the use of any list of names or  
13 other information concerning persons applying for or receiving public assistance or social  
14 services that may be directly or indirectly derived from the records, files or  
15 communications of the Department or the county boards of social services, or county  
16 departments of social services or acquired in the course of performing official duties  
17 except for the purposes directly connected with the administration of the programs of  
18 public assistance and social services in accordance with federal law, rules and regulations  
19 ~~and regulations, the Work First Program State Plan, and~~ the rules and regulations of the  
20 Social Services Commission or the Department.

21 (b) The Department shall furnish a copy of the recipient check register monthly to  
22 each county auditor showing a complete list of all recipients of ~~Aid To Families with~~  
23 ~~Dependent Children~~ Work First Family Assistance and State-County Special Assistance  
24 for Adults, their addresses, and the amounts of the monthly grants. This register shall be  
25 a public record open to public inspection during the regular office hours of the county  
26 auditor, but said register or the information contained therein may not be used for any  
27 commercial or political purpose. Any violation of this section shall constitute a Class 1  
28 misdemeanor.

29 (c) Any listing of recipients of benefits under any public assistance or social  
30 services program compiled by or used for official purposes by a county board of social  
31 services or a county department of social services shall not be used as a mailing list for  
32 political purposes. This prohibition shall apply to any list of recipients of benefits of any  
33 federal, State, county or mixed public assistance or social services program. Further, this  
34 prohibition shall apply to the use of such listing by any person, organization, corporation,  
35 or business, including but not limited to public officers or employees of federal, State,  
36 county, or other local governments, as a mailing list for political purposes. Any violation  
37 of this section shall be punishable as a Class 1 misdemeanor.

38 (d) The Social Services Commission shall have the authority to adopt rules and  
39 regulations governing access to case files for social services and public assistance  
40 programs, except the Medical Assistance Program. The Secretary of the Department of  
41 Human Resources shall have the authority to adopt rules and regulations governing  
42 access to medical assistance case files."

1 Section 11. G.S. 108A-28, 108A-28.1, 108A-30, 108A-31, 108A-32, 108A-  
2 33, and 108A-34 are repealed.

3 **PART 2. STATUTORY TECHNICAL AND CONFORMING CHANGES.**

4 Section 12. G.S. 1-110(a) reads as rewritten:

5 "(a) Subject to the provisions of subsection (b) of this section with respect to prison  
6 inmates, any superior or district court judge or clerk of the superior court may authorize a  
7 person to sue as an indigent in their respective courts when the person makes affidavit  
8 that he or she is unable to advance the required court costs. The clerk of superior court  
9 shall authorize a person to sue as an indigent if the person makes the required affidavit  
10 and meets one or more of the following criteria:

11 (1) Receives food stamps.

12 (2) Receives ~~Aid to Families with Dependent Children (AFDC)~~. Work First  
13 Family Assistance.

14 (3) Receives Supplemental Security Income (SSI).

15 (4) Is represented by a legal services organization that has as its primary  
16 purpose the furnishing of legal services to indigent persons.

17 (5) Is represented by private counsel working on the behalf of or under the  
18 auspices of a legal services organization under subdivision (4) of this  
19 section.

20 (6) Is seeking to obtain a domestic violence protective order pursuant to  
21 G.S. 50B-2.

22 A superior or district court judge or clerk of superior court may authorize a person  
23 who does not meet one or more of these criteria to sue as an indigent if the person is  
24 unable to advance the required court costs. The court to which the summons is returnable  
25 may dismiss the case and charge the court costs to the person suing as an indigent if the  
26 allegations contained in the affidavit are determined to be untrue or if the court is  
27 satisfied that the action is frivolous or malicious."

28 Section 13. G.S. 15-155.1 reads as rewritten:

29 **"§ 15-155.1. Reports to district attorneys of aid to dependent children and**  
30 **illegitimate-out-of-wedlock births.**

31 The Department of Human Resources, by and through the Secretary of Human  
32 Resources, shall promptly after June 19, 1959, make a report to each district attorney,  
33 setting out the names and addresses of all mothers who reside in his prosecutorial district  
34 as defined in G.S. 7A-60 and are recipients of ~~aid to dependent children assistance~~ under  
35 the provisions of Part 2, Article 2, Chapter 108A of the General Statutes. Such report  
36 shall in some manner show the identity of the unwed mothers and shall set forth the  
37 number of children born to each said mother. Such a report shall also be made monthly  
38 thereafter setting out the names and addresses of all such mothers who reside in the  
39 district and who may have become recipients of aid to dependent children since the date  
40 of the last report."

41 Section 14. G.S. 15-155.2(a) reads as rewritten:

42 "(a) Upon receipt of such reports as are provided for in G.S. 15-155.1, the district  
43 attorney of superior court may make an investigation to determine whether the mother of

1 an ~~illegitimate out-of-wedlock~~ child or who is a recipient of ~~aid to a dependent child or~~  
2 ~~children~~, Work First Family Assistance, has abandoned, is willfully neglecting or is  
3 refusing to support and maintain the child within the meaning of G.S. 14-326 or 49-2 or  
4 is diverting any part of the funds received as ~~aid to a dependent child~~ Work First Family  
5 Assistance to any purpose other than for the support and maintenance of ~~such dependent a~~  
6 child in violation of G.S. 108-76.1. In making this investigation the district attorney is  
7 authorized to call upon:

- 8 (1) Any county board of social services or the Department of Human  
9 Resources for personal, clerical or investigative assistance and for  
10 access to any records kept by either such board and relating to the  
11 matter under investigation and such boards are hereby directed to assist  
12 in all investigations hereunder and to furnish all records relating thereto  
13 when so requested by the district attorney;
- 14 (2) The board of county commissioners of any county within his district for  
15 legal or clerical assistance in making any investigation or investigations  
16 in such county and such boards are hereby authorized to furnish such  
17 assistance in their discretion; and
- 18 (3) The district attorney of any inferior court in his district for personal  
19 assistance in making any investigation or investigations in the county in  
20 which the court is located and any district attorney so called upon is  
21 hereby authorized to furnish such assistance by and with the consent of  
22 the board of county commissioners of the county in which the court is  
23 located, which board shall provide and fix his compensation for  
24 assistance furnished."

25 Section 15. G.S. 95-25.3(d) reads as rewritten:

26 "(d) The Commissioner, in order to prevent curtailment of opportunities for  
27 employment of the economically disadvantaged and the unemployed, may, by regulation,  
28 establish a wage rate not less than eighty-five percent (85%) of the otherwise applicable  
29 wage rate in effect under subsection (a) which shall apply to all persons (i) who have  
30 been unemployed for at least 15 weeks and who are economically disadvantaged, or (ii)  
31 who are, or whose families are, receiving ~~aid to families with dependent children provided~~  
32 ~~under Part A of Title IV of the Social Security Act~~, Work First Family Assistance or who are  
33 receiving supplemental security benefits under Title XVI of the Social Security Act.

34 Pursuant to regulations issued by the Commissioner, certificates establishing  
35 eligibility for such subminimum wage shall be issued by the Employment Security  
36 Commission.

37 The regulation issued by the Commissioner shall not permit employment at the  
38 subminimum rate for a period in excess of 52 weeks."

39 Section 16. G.S. 105A-2(1) reads as rewritten:

40 "(1) 'Claimant agency' means and includes:

- 41 a. The State Education Assistance Authority as enabled by Article  
42 23 of Chapter 116 of the General Statutes;



- 1           b.     The North Carolina Department of Human Resources when in  
2           the exercise of its authority to collect health profession student  
3           loans made pursuant to G.S. 131-121;
- 4           c.     The North Carolina Department of Human Resources when in  
5           the performance of its duties under the Medical Assistance  
6           Program enabled by Chapter 108A, Article 2, Part 6, and any  
7           county operating the same Program at the local level, when and  
8           only to the extent such a county is in the performance of Medical  
9           Assistance Program collection functions;
- 10          d.     The North Carolina Department of Human Resources when in  
11          the performance of its duties, under the Child Support  
12          Enforcement Program as enabled by Chapter 110, Article 9 and  
13          Title IV, Part D of the Social Security Act to obtain  
14          indemnification for past paid public assistance or to collect child  
15          support arrearages owed to an individual receiving program  
16          services and any county operating the program at the local level,  
17          when and only to the extent that the county is engaged in the  
18          performance of those same duties;
- 19          e.     The University of North Carolina, including its constituent  
20          institutions as specified by G.S. 116-2(4);
- 21          f.     The University of North Carolina Hospitals at Chapel Hill in the  
22          conduct of its financial affairs and operations pursuant to G.S.  
23          116-37;
- 24          g.     The Board of Governors of the University of North Carolina and  
25          the State Board of Education through the College Scholarship  
26          Loan Committee when in the performance of its duties of  
27          administering the Scholarship Loan Fund for Prospective College  
28          Teachers enabled by Chapter 116, Article 5;
- 29          h.     The Office of the North Carolina Attorney General on behalf of  
30          any State agency when the claim has been reduced to a judgment;
- 31          i.     The State Board of Community Colleges through community  
32          colleges as enabled by Chapter 115D in the conduct of their  
33          financial affairs and operations;
- 34          j.     State facilities as listed in G.S. 122C-181(a), School for the Deaf  
35          at Morganton, North Carolina Sanatorium at McCain, Western  
36          Carolina Sanatorium at Black Mountain, Eastern North Carolina  
37          Sanatorium at Wilson, and Gravely Sanatorium at Chapel Hill  
38          under Chapter 143, Article 7; Governor Morehead School under  
39          Chapter 115, Article 40; Central North Carolina School for the  
40          Deaf under Chapter 115, Article 41; Wright School for  
41          Treatment and Education of Emotionally Disturbed Children  
42          under Chapter 122C; and these same institutions by any other  
43          names by which they may be known in the future;

- 1 k. The North Carolina Department of Revenue;
- 2 l. The Administrative Office of the Courts;
- 3 m. The Division of Forest Resources of the Department of
- 4 Environment, Health, and Natural Resources;
- 5 n. The Administrator of the Teachers' and State Employees'
- 6 Comprehensive Major Medical Plan, established in Article 3 of
- 7 General Statutes Chapter 135;
- 8 o. The State Board of Education through the Superintendent of
- 9 Public Instruction when in the performance of his duties of
- 10 administering the Scholarship Loan Fund for Prospective
- 11 Teachers enabled by Chapter 115C, Article 32A and the
- 12 scholarship loan and grant programs enabled by Chapter 115C,
- 13 Article 24C, Part 1;
- 14 p. The Board of Trustees of the Teachers' and State Employees'
- 15 Retirement System and the Board of Trustees of the Local
- 16 Governmental Employees' Retirement System in the performance
- 17 of their duties pursuant to Chapters 120, 128, 135 and 143 of the
- 18 General Statutes;
- 19 q. The North Carolina Teaching Fellows Commission in the
- 20 performance of its duties pursuant to Chapter 115C, Article 24C,
- 21 Part 2;
- 22 r. The North Carolina Department of Human Resources when in
- 23 the performance of its collection duties for intentional program
- 24 violations and violations due to inadvertent household error
- 25 under the Food Stamp Program enabled by Chapter 108A,
- 26 Article 2, Part 5, and any county operating the same Program at
- 27 the local level, when and only to the extent such a county is in
- 28 the performance of Food Stamp Program collection functions.
- 29 The North Carolina Department of Human Resources when,
- 30 in the performance of its duties under the ~~Aid to Families with~~
- 31 ~~Dependent Children Program or the Aid to Families with~~
- 32 ~~Dependent Children Emergency Assistance Program provided~~
- 33 ~~in Part 2 of Article 2 of Chapter 108A or the Work First Cash~~
- 34 ~~Assistance Program established pursuant to the federal waivers~~
- 35 ~~received by the Department on February 5, 1996, Work First~~
- 36 ~~Program provided in Part 2 of Article 2 of Chapter 108A, or~~
- 37 under the State-County Special Assistance for Adults Program
- 38 provided in Part 3 of Article 2 of Chapter 108A, it seeks to
- 39 collect public assistance payments obtained through an
- 40 intentional false statement, intentional misrepresentation,
- 41 intentional failure to disclose a material fact, or inadvertent
- 42 household error;
- 43 s. The Employment Security Commission of North Carolina.

- 1 t. Any State agency in the collection of salary overpayments from  
2 former employees.
- 3 u. The State Board of Education through the Superintendent of  
4 Public Instruction when in the performance of his duties of  
5 administering the program under which the State encourages  
6 participation in the National Board for Professional Teaching  
7 Standards (NBPTS) Program, enabled by Section 19.28 of  
8 Chapter 769 of the 1993 Session Laws."

9 Section 17. G.S. 110-129(6) reads as rewritten:

10 "(6) 'Disposable income' means any form of periodic payment to an  
11 individual, regardless of sources, including but not limited to wages,  
12 salary, commission, self-employment income, bonus pay, severance  
13 pay, sick pay, incentive pay, vacation pay, compensation as an  
14 independent contractor, worker's compensation, unemployment  
15 compensation benefits, disability, annuity, survivor's benefits, pension  
16 and retirement benefits, interest, dividends, rents, royalties, trust income  
17 and other similar payments, which remain after the deduction of  
18 amounts for federal, State, and local taxes, Social Security, and  
19 involuntary retirement contributions. However, Supplemental Security  
20 Income, ~~Aid for Dependent Children~~, Work First Family Assistance, and  
21 other public assistance payments shall be excluded from disposable  
22 income. For employers, disposable income means 'wage' as it is defined  
23 by G.S. 95-25.2(16). Unemployment compensation benefits shall be  
24 treated as disposable income only for the purposes of income  
25 withholding under the provisions of G.S. 110-136.4, and the amount  
26 withheld shall not exceed twenty-five percent (25%) of the  
27 unemployment compensation benefits."

28 Section 18. G.S. 110-130.1 reads as rewritten:

29 **"§ 110-130.1. ~~Non-AFDC~~ Non-Work First services.**

30 (a) All child support collection and paternity determination services provided  
31 under this Article to recipients of public assistance shall be made available to any  
32 individual not receiving public assistance in accordance with federal law and as  
33 contractually authorized by the nonrecipient, upon proper application and payment of a  
34 nonrefundable application fee of ten dollars (\$10.00).

35 (b) Repealed by Session Laws 1989, c. 490.

36 (b1) In cases in which a public assistance debt which accrued pursuant to G.S. 110-  
37 135 remains unrecovered, support payments shall be transmitted to the Department of  
38 Human Resources for appropriate distribution. When services are terminated and all costs  
39 and any public assistance debts have been satisfied, the support payment shall be  
40 redirected to the client.

41 (c) Actions or proceedings to establish, enforce, or modify a duty of support or  
42 establish paternity as initiated under this Article shall be brought in the name of the  
43 county or State agency on behalf of the public assistance recipient or nonrecipient client.

1 Collateral disputes between a custodial parent and noncustodial parent, involving  
2 visitation, custody and similar issues, shall be considered only in separate proceedings  
3 from actions initiated under this Article. The attorney representing the designated  
4 representative of programs under Title IV-D of the Social Security Act shall be deemed  
5 attorney of record only for proceedings under this Article, and not for the separate  
6 proceedings. No attorney/client relationship shall be considered to have been created  
7 between the attorney who represents the child support enforcement agency and any  
8 person by virtue of the action of the attorney in providing the services required.

9 (c1) The Department is hereby authorized to use the electronic and print media in  
10 attempting to locate absent and deserting parents. Due diligence must be taken to ensure  
11 that the information used is accurate or has been verified. Print media shall be under no  
12 obligation or duty, except that of good faith, to anyone to verify the correctness of any  
13 information furnished to it by the Department or county departments of social services.

14 (d) Any fee imposed by the North Carolina Department of Revenue or the  
15 Secretary of the Treasury to cover their costs of withholding for ~~non-AFDC-non-Work~~  
16 First arrearages certified for the collection of past due support from State or federal  
17 income tax refunds shall be borne by the client by deducting the fee from the amount  
18 collected.

19 Any income tax refund offset amounts which are subsequently determined to have  
20 been incorrectly withheld and distributed to a client, and which must be refunded by the  
21 State to a responsible parent or the nondebtor spouse, shall constitute a debt to the State  
22 owed by the client."

23 Section 19. G.S. 111-21 reads as rewritten:

24 "**§ 111-21. Disqualifications for relief.**

25 No aid to needy blind persons shall be given under the provisions of this Article to  
26 any individual for any period with respect to which he is receiving aid under the laws of  
27 North Carolina ~~providing aid for dependent children~~ Work First Family Assistance and/or  
28 relief for the aged, and/or aid for the permanently and totally disabled."

29 Section 20. G.S. 120-70.71 reads as rewritten:

30 "**§ 120-70.71. Powers and duties.**

31 The Commission shall study State government policy and programs affecting the  
32 family, specifically addressing family issues from the point of existing laws,  
33 governmental programs needed or already functioning, and current family life issues.  
34 The Commission shall work in close collaboration with various agencies and programs  
35 dealing with the family. Among the issues the Commission may consider studying are  
36 the following:

- 37 (1) The feasibility of establishing model projects that would be located  
38 primarily in low-income, high dropout rate communities in North  
39 Carolina:
- 40 a. To teach adults in the family to read; and
  - 41 b. To provide after school care for school-aged children using  
42 volunteers who could be retirees in the provision of services;

- 1 (2) The fiscal impact of a cash stipend created by a tax deduction or by  
2 industry dollars to promote literacy or the obtainment of a General  
3 Education Development Degree for persons who are presently illiterate  
4 or outside the school system;
- 5 (3) The need for day care for children and senior citizens, ~~an increase in Aid~~  
6 ~~to Families with Dependent Children~~ changes in Work First Family  
7 Assistance payments and eligibility requirements, coordination of State  
8 law with federal welfare reform programs, in-home services for the  
9 elderly, additional funding for adult day care, and incentives for  
10 industries to develop day care programs;
- 11 (4) The relationship between the decline of real income and the tax  
12 structure, college tax credits, the minimum wage, and welfare support  
13 systems;
- 14 (5) The State's efforts in the areas of adolescent pregnancy and teaching  
15 about adolescent sexuality;
- 16 (6) A comprehensive review of State and federal programs encouraging  
17 business and industry to provide adequate child care for their  
18 employees;
- 19 (7) An analysis of what the State is currently doing to encourage North  
20 Carolina businesses and industry to provide adequate child care for their  
21 employees;
- 22 (8) A survey of North Carolina employers that presently provide child care  
23 options for their employees and what types of options they provide;
- 24 (9) A comprehensive study of the types of tax incentives and other  
25 incentives that would encourage North Carolina businesses – especially  
26 those that have 50 or more employees – to either provide on-site child  
27 care facilities or provide other child care options and the cost to the  
28 State of these tax incentives;
- 29 (10) Recommendations of what the State could be doing to encourage North  
30 Carolina businesses to provide on-site child care facilities or other child  
31 care options for their employees;
- 32 (11) Recommendations of a comprehensive policy for North Carolina to  
33 encourage businesses within the State to provide on-site child care  
34 facilities or other child care options for their employees;
- 35 (12) The concept of requiring coverage of child health supervision services  
36 in all health insurance policies sold or delivered within the State;
- 37 (13) The issue of domestic violence; and
- 38 (14) The problem of suicide among the youth of the State."

39 Section 21. Within 60 days of the effective date of this act, the Department of  
40 Human Resources is directed to apply for a waiver from the Health Care Finance  
41 Administration of the U.S. Department of Health and Human Services to expand  
42 transitional Medicaid benefits from 12 months to 24 months for recipients who are  
43 otherwise eligible for Medicaid. Prior to implementing expanded transitional Medicaid

1 benefits pursuant to federal waiver, the Department shall determine the cost, if any, to  
2 expand transitional Medicaid benefits and report their findings to the General Assembly.

3 Section 22. Notwithstanding any law to the contrary, the Department of  
4 Human Resources may designate a pilot county for the purpose of conducting a  
5 demonstration work-study project for Work First Program participants in the county that  
6 will provide participants with the option to attend community college paid with Work  
7 First funds while continuing to require the participants to meet work requirements. This  
8 pilot shall be funded by the pilot county using the federal and State funding allocated to  
9 the pilot county for the Work First Program. The Department shall evaluate the work-  
10 study project and report to the General Assembly on or before March 1, 1999.

11 Section 23. The Department of Human Resources, the Department of  
12 Commerce, including the Employment Security Commission, the Office of State Budget  
13 and Management and the Fiscal Research Division of the General Assembly shall  
14 develop forecasting methodology to predict trends that may impact Work First Program  
15 recipients arising from the imposition of program limitations and restrictions prior to  
16 recipients achieving self-sufficiency. The forecasting methodology shall be designed to  
17 predict, to the extent possible, the economic impact and societal consequences that may  
18 be experienced in the State or by a significant number of recipient families prior to the  
19 emergence of a crisis.

20 Section 24. The requirement that the Department prepare and submit the State  
21 Plan to the General Assembly for approval in accordance with the procedures set forth in  
22 G.S. 143-16.1 shall not be applicable for fiscal year 1997-98. Not later than May 1,  
23 1997, the Department of Human Resources shall submit a final draft of the proposed  
24 State Plan to the Fiscal Research Division of the General Assembly. Fiscal Research  
25 shall submit the proposed plan to the House and Senate Appropriations Subcommittees  
26 on Human Resources for subsequent approval by the General Assembly. The House and  
27 Senate Appropriations Subcommittees on Human Resources shall conduct public  
28 hearings or a joint hearing on the proposed State Plan not earlier than five business days  
29 after its submission. If the General Assembly fails to act upon the proposed State Plan,  
30 the plan as submitted shall become the State Plan for fiscal year 1997-98.

31 Section 25. Not later than April 20 of each fiscal year and more frequently as  
32 requested, the Department of Human Resources shall report to the Joint Legislative  
33 Commission on Governmental Operations and the Fiscal Research Division on use of  
34 funds transferred from federal TANF funds to State departments or divisions for purposes  
35 of child care development, reducing out-of-wedlock births and substance abuse treatment.  
36 The report shall include information on program activities, objectives, accomplishments,  
37 including actual results, and itemized expenditures.

38 Section 26. This act is effective when it becomes law.