

# Work First

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## OVERVIEW

### ***What is it?***

Work First, North Carolina's TANF program, provides temporary financial support and employment-related services to certain low-income families with children. The goal is to help families find and keep suitable employment and move toward self-sufficiency. The program replaced the Aid to Families with Dependent Children (AFDC) program and is funded under the federal Temporary Assistance for Needy Families (TANF) block grant. Unlike AFDC, *Work First is not an entitlement program.*

### ***Who is it for?***

Families with children whose income and assets are below the Work First limits and who meet certain other requirements.

### ***Where are applications taken?***

The county Department of Social Services. Beginning in 1999, some counties will operate different programs (called "electing" counties). These counties may have different locations where applications are taken.

## INTRODUCTION

Work First replaced the Aid to Families with Dependent Children (AFDC) program. Work First, unlike AFDC, is a time-limited program that emphasizes helping families move from welfare-to-work. For many participants, cash assistance is limited to a two-year period (24 months). Only families that are actively participating in Work First employment services are subject to the 24-month time limit. All participants have a lifetime limit of five years (60 months). The 60-month lifetime limit applies to all families that have received TANF assistance in North Carolina or other states. The time limit is a cumulative total and includes any month in which assistance was received (whether continuous or not).

Work First requires families to sign contracts called Mutual Responsibility Agreements that specify how the family will move from welfare to self-sufficiency. Caretaker relatives must participate in job search and employment related activities, and teenage parents are required to live at home and stay in school. In return, the Department of Social Services provides the family with employment and other services, often including day care, Food Stamps and Medicaid.

Each county is required to develop a county plan for how it will help families move from welfare to self-sufficiency. These plans specify what services will be provided to whom.

**ELECTING  
COUNTIES**

Some counties are allowed to establish a different Work First system. These counties are called “**electing counties**” because they elected to establish their own Work First system. (All other counties are called “**standard counties.**”) The following counties are “electing counties” for the 1998-2000 fiscal years:

Alamance	McDowell
Caldwell	New Hanover
Caswell	Polk
Chatham	Randolph
Cherokee	Rutherford
Davie	Sampson
Forsyth	Stokes
Henderson	Surry
Iredell	Transylvania
Lincoln	Wilkes
Macon	

Electing counties may establish their own eligibility criteria and methods for calculating benefits. All counties may establish outcome and performance goals in addition to required state-wide goals. They must develop an appeals process (that substantially follows the process described below), and evaluate the program to determine its impact on the economic security and health of children and families.

Cabarrus County operates a separate welfare program, however, it is not an electing county. This program is called “Work over Welfare.”

***The following program description applies to “standard counties.”*** Many of the electing counties offer different services and benefits, have differences in their basic eligibility requirements, their sanctions, and in how they calculate benefits.

**BENEFITS/  
SERVICES**

At the initial interview, families may be given a choice of either Work First Diversion Assistance or Work First Family Assistance. In addition, in some counties, families with a temporary crisis may be eligible for emergency assistance or one-time work-related expenses (these services are provided at county option). Each county can operate Work First differently, but the basic program options are described below:

***Work First Diversion Assistance*** is a one-time lump-sum payment of up to three months of Work First cash assistance payments (see payment standard below). The program also provides employment services and child care, if needed. Families will also receive Medicaid and, if eligible, Food Stamps. The Diversion Assistance program is designed to help families with a temporary, non-recurring situation associated with employment or a short break in employment, or for families in the process of receiving financial assistance from another source (such as disability payments). Receipt of Diversion Assistance does not count toward the state’s two-year Work First time limit, or the 60-month federal lifetime limit on cash assistance benefits.

***Work First Family Assistance*** includes a monthly cash payment to support the family and, for most families, employment related services. The family’s cash

assistance payment is dependent on the number of family members and the amount of other countable income. The maximum monthly cash assistance payment is listed below. In addition, most families are required to participate in 35 hours of work related activities per week, beginning within 12 weeks (three months) of receiving assistance (see Work section, below).

*Maximum monthly cash assistance.* The maximum monthly cash assistance payment is based on the number in the family unit:

Family Size	Maximum Monthly Payment
1	\$181
2	236
3	272
4	297
5	324
6	349
7	373
8	386
9	406
10	430
11	448
12	473
13	496
14	521
Each additional person	add \$25

Families who receive Work First Family Assistance payments in standard counties will automatically receive Medicaid benefits. In electing counties, the family may need to apply for Medicaid separately. In addition, most families who receive Work First Family Assistance payments will also qualify for Food Stamps. Families will also be evaluated for child care services and be referred to the Child Support Enforcement unit (if appropriate).

**Emergency Assistance.** Counties must operate an emergency assistance program to help families through short-term crises. Each county has the authority to decide how much assistance to provide and which families to assist. However, counties may not provide emergency assistance to families with incomes greater than 200% of the federal poverty guidelines. A one-time cash payment to help a family cope with an emergency is not considered a Work First payment (and therefore, does not count towards the 24 month or 60 month time limits).

**Work Related Services.** Counties may provide assistance to families in obtaining skills training, education or other services needed to obtain employment.

**Work Related Expenses.** Counties may provide help with one-time work related expenses to enable an applicant or recipient to get and keep a job. For example, a county may help a family pay for car insurance or repairs, or buy work tools or a work uniform if needed to secure employment.

**Support Services.** Families may also receive certain support services to help them obtain and keep employment. These services include substance abuse services, child care, transportation, case management and follow-up services. Support and retention services are available to current and former Work First recipients whose family income does not exceed 200% of the federal poverty guidelines. Counties also have the option to provide these services to other families who have never received Work First, as long as their income does not exceed 200% of the federal poverty guidelines.

**Transitional Medicaid.** Every county must provide transitional Medicaid for up to 12 months after a family loses Work First cash assistance due to earnings. Beginning October 1, 1999, families will be eligible for 24 months of transitional Medicaid. To qualify, families must have received assistance during at least three of the six months prior to having their cash assistance benefits terminated (see Medicaid chapter 7).

## **APPLICATIONS**

In standard counties, applications for Work First programs are usually taken at the county Department of Social Services. Electing counties may designate another agency or agencies where applications will be taken. All applicants must register for First Stop with the Employment Security Commission (in some counties this is required prior to application). Work First applications should be processed within 45 days. Benefit Diversion applications should be completed the same day the request is made. If a family moves to another county, they must reapply in their new county of residence if they want to continue receiving assistance.

The county Department of Social Services can accept the family's statement as verification of their situation for the Benefits Diversion program. However, more information and verifications are required if the family is applying for Work First Family Assistance.

The family's situation must be reassessed at least once every 12 months if the family submits quarterly Work First Family Assistance reports (see below), or once every six months for all other families.

## **ELIGIBILITY REQUIREMENTS**

Applicants who apply for Work First Family Assistance must meet certain eligibility requirements including general requirements, income and resource eligibility requirements. In addition, the applicant must register for work at the Employment Security Commission, sign a Mutual Responsibility Agreement, and participate in work requirements unless exempt. Each eligibility requirement is discussed more fully below.

### **General Eligibility Requirements**

Work First families must meet the following eligibility requirements:

- *Family members must live in North Carolina* with the intent to remain (this includes homeless families with no fixed mailing address). DSS can accept the family's statement of their residence unless questionable;

- *The family must include a child that is 17 years or younger (the child's age must be verified by birth certificate, hospital records, government records, or other knowledgeable sources);*
- *The child(ren) must meet kinship/living with requirements (see below);*
- *All family members must have a social security number or apply for one;*
- *Each family member must be a US citizen or a qualified alien (see citizenship/immigrations status below);*
- *The caretaker relative must assign rights to child support to the NC Department of Health and Human Services and must cooperate with child support activities unless he/she has good cause;*
- *Minor parents must live with their parent, legal guardian, or in another adult supervised arrangement, and must attend school (see minor parent rules below);*
- *All Work First applicants are screened to assess their risk of substance abuse (see below);*

***Kinship/Living With.*** To receive Work First Family Assistance, children must live with certain relatives (called the “kinship/living with” rules). A child may live with one of the following people to meet the kinship/living with rule:

- A parent (biological or adoptive);
- An alleged father or other alleged paternal relative;
- A blood or half blood relative or adoptive relative (certain limitations apply);
- A step-relative limited to stepparent or step-siblings;
- A spouse of anyone in the above groups (even after the marriage has been terminated by death or divorce); or
- A non-relative who has custody or guardianship.

*Note: A minor parent may live with an adult who is not related if appropriate (see below). Joint-custody arrangements also create special circumstances. If the joint custody is exactly equal (i.e., 50% with each parent), then the family will likely not meet the kinship/living with rule.*

***Citizenship/Qualified Aliens.*** Citizens are eligible for assistance under the Work First program. Citizenship need not be verified by the Department of Social Services unless the family's statement is questionable (for example, the family's assertion of citizenship is inconsistent with other information on the application). Certain types of immigrants are also eligible for assistance.

Most immigrants are ineligible for five years from the date they enter the country. The five-year exclusion does not apply to the following groups:

- Legal Permanent Residents (LPR) if admitted on or before August 22, 1996;

- Refugees, Asylees, and persons granted withholding of deportation, Cuban/Haitian entrants, and Amerasians; and
- Veterans/active duty service members and their spouses and unmarried children under age 21.

A child who is a US citizen meets the citizenship requirement regardless of the immigration status of his or her parents.

**Minor Parent Rules.** A minor parent is a child under age 18 with dependent children. Minor parents must meet all the same eligibility requirements as other Work First participants (i.e., income and resource requirements), and must sign a Mutual Responsibility Agreement. In addition, the minor parent must meet the following additional eligibility requirements:

- *A minor parent must be enrolled in and regularly attending school.* Children who have already completed high school, received a GED, or were suspended or expelled from school must participate in an educational, training or work activity. Minor parents are entitled to child day care services so that they can go to school.
- *A minor parent must live with a parent, legal guardian, or be in another adult supervised arrangement (the adult does not need to be a relative).* There are certain exceptions to this rule, for example when:
  - The minor parent has no parent or legal guardian who is living, or their whereabouts are unknown;
  - The physical health or safety of the minor parent or his/her dependent child would be jeopardized by living with a parent or legal guardian;
  - The minor parent has lived apart from any parent or legal guardian for a period of at least one year prior to either the birth of the child or the date of the Work First Family Assistance application;
  - The parent or legal guardian will not allow the minor parent to live in his/her home; or
  - The county director determines that it would be detrimental to the minor parent to live with her parent or legal guardian; and
  - There is no other adult supervised arrangement where the minor parent may live.

Minor parents cannot receive cash assistance payments in their own names. The payments must be paid to an adult with whom the child is living, or if there is no adult, to a protective payee.

**Substance Abuse Services.** All Work First Applicants must be screened to assess their risk of substance abuse. If there is suspicion of substance abuse, the person will be referred to a Qualified Substance Abuse Professional (QSAP). The QSAP will conduct a more thorough assessment, and develop a treatment plan (when appropriate).

## Financial Need

County Departments of Social Services examine the income and resources of all family unit members in determining financial eligibility and the amount of the payment to the family. Certain family members' income and resources must be included in determining eligibility for Work First payments. Other people may be included as part of the cash assistance payment at the family's request. The following members are always included in the family unit in determining Work First eligibility:

- All minor brothers and sisters (including half brothers and sisters);
- Any parents of the children living in the household (biological, adoptive or step-parents); and
- Minor parents (through age 17) and their children unless the minor is married, in the US Armed Forces or is emancipated by a court.

In addition, the family unit may include other children (other than siblings and half-siblings) residing in the household. Family members who receive SSI, and children who receive foster care assistance cannot receive Work First. Their income is not included when determining financial eligibility for Work First.

A parent may apply separately for assistance when the only child receives SSI. In this instance, the child is ineligible, but the parent may receive assistance as a family unit of one. In addition, children who reside with adults (other than their parents or whose parents are ineligible for Work First) may receive assistance separately as "**child-only**" cases. *Child-only cases are not subject to the 24 month or 60 month time limits, and the adults are not subject to the work requirements.* Caretaker adults in these families may still qualify for Medicaid.

## Income Eligibility

Families applying for Work First Family Assistance must have countable income that is less than the payment standard to qualify for Work First. Normally, the family receives additional cash assistance for every member in the family unit. However, *the family will not receive assistance for new children born more than ten months after the family begins receiving assistance* (see "family cap" rules below). In addition, almost all families with earned or unearned income will have to fill out a Family Assistance report form once every three months specifying the amount of income the family receives from all sources (see Family Assistance Report form rules below).

- **Countable Income**—Almost all the income (gross income) from any of the family members is counted. However, there are some sources of income that are not counted in the eligibility determination. These include:
  - Income of a SSI recipient;
  - Earned income of a child;
  - Value of benefits received from other government programs or charitable organizations, such as Food Stamps, housing subsidies, emergency assistance, etc. (government income checks such as

- Social Security, Veterans benefits, Workers' compensation are still counted);
- Earned income tax credit;
- Adoption assistance or foster care payments;
- In-kind payments, such as clothing and food contributions;
- Certain educational loans or grants;
- Vendor payments; or
- Work First employment service payments to a family member actively participating for his/her participation expenses (for example, payments to help reimburse the participant for transportation).

In certain instances, the income of other individuals living in the home will be considered or "deemed" available to the other family unit members. For example, the income of the following people is deemed available to family unit members:

- Parents who are excluded from family unit participation because they fail to meet citizenship or alienage requirements, and
- Stepparents who are not part of the family unit.

- **Income Deductions**—A family is entitled to certain deductions from earned income:

*Current rules:*

- \$90 work disregard;
- \$175 for adult day care expenses (if the family pays for child day care services directly, the family can deduct \$200 for a child under age two, or \$175 for older children);
- The state will disregard \$30 plus 1/3<sup>rd</sup> of earnings for the first four months; and
- The state will disregard \$30 of earnings for the following eight months.

*New income deduction (scheduled to go into effect October, 1999)*

- A family is entitled to disregard 27.5% of their earned income. This deduction is subtracted from a family's gross income.

*Job bonus (scheduled to go into effect October, 1999)*

- 100% of all earnings for the first three months that each individual has earnings.

*Note: The 100% income exclusion only applies the first time a Work First recipient becomes employed, and if the employment is at least 20 hours a week and is expected to be permanent. If the applicant has earnings at the time of the application, 27.5% of gross monthly earnings are excluded.*



- 27.5% of earnings after the first three months. This exclusion applies for as long as the individual is a Work First participant.

Payment Calculations. The Work First cash assistance payment is calculated by subtracting the family's net earned and unearned income (including deemed income) from the "Standard of Need." The family will receive 50% of the difference between the family's countable earned and unearned income and the standard of need.

Family Size	Standard of Need
1	\$362
2	\$472
3	\$544
4	\$594
5	\$648
6	\$698
7	\$746
8	\$772

*Note: Beginning October, 1999, the state will implement a minimum payment policy. If the difference is \$25 or more, the family will receive a monthly cash payment. If the difference is less than \$25, the family will not receive a payment, but may receive Medicaid benefits.*

*Example: Ms. Jones has two children. She earns \$600/month in gross income from her employer. She does not pay anything for child care expenses. She has been receiving Work First cash assistance for six months (so is not entitled to the job bonus).*

*Current calculations:*

\$600	Gross income
<u>-90</u>	Earned income disregard
510	
<u>-30</u>	\$30 earnings disregard
\$480	Countable earned income
\$544	Standard of Need for three people
<u>-480</u>	Countable income
\$64	Difference
\$32	Payment (50% of the difference between the standard of need and countable income)

*New rules (scheduled to go into effect October, 1999):*

\$600	Gross income
<u>-165</u>	Earned income disregard (27.5%)
435	Countable earned income
\$544	Standard of Need for three people
<u>-435</u>	Countable income
\$109	Difference
\$54	Payment (50% of the difference between the standard of need and countable income)

- **Family Cap.** Families that have additional children ten or more months after the family begins to receive Work First assistance are subject to a “family cap.” This means that the family will receive no additional cash benefits for the new child. There are some exceptions to the family cap rule under which the family can receive additional cash assistance:

- The child was conceived in a month in which the family unit was not receiving Work First Family Assistance;
- The child is the firstborn of a minor who is a dependent child;
- The child was conceived by rape, sexual assault or incest (this allegation must be verified by law enforcement records, medical providers or other knowledgeable individuals);
- The child has had legal custody transferred to a caretaker other than the parent;
- The child is transferred to a caretaker relative because the parent is no longer able to take care of him/her;
- The child has been adopted; or
- The parent has been incarcerated or institutionalized for at least three months.

A child subject to the family cap will continue to be subject to a family cap if he or she moves to another household that is receiving or applies for Work First cash assistance. However, the child may still be eligible for Food Stamps, Medicaid, Child Support enforcement activities, and day care subsidies.

- **Family Assistance Reporting Requirements.** Certain families are required to fill out quarterly reports to show their continued eligibility for assistance. These families include:

- Families with earned and unearned income (unless the income is limited to Social Security income);
- Families with a recent work history (for a month after the earned income terminates); or
- Families that contain a minor parent who is 16 or 17 years old.

In addition to these quarterly reports, all families are required to report changes that might affect eligibility. Changes must be reported within 10 calendar days of the date the family learns of the change.

## Resource Eligibility

A family receiving Work First Family Assistance is allowed \$3,000 in resources. Assets that can be converted to cash within five working days are counted toward the asset limit.

The Department of Social Services will consider the resources of the following individuals in determining resource eligibility:

- Members of the family unit, and
  - Any parent who is not receiving Work First due to his citizenship/alien status or because he/she fails to apply for a social security number, or did not cooperate with child support enforcement.
- **Countable Resources.** Most resources are counted in determining eligibility for assistance. For example, DSS will count:
    - Cash savings,
    - The balance in any bank accounts, excluding the amount deposited monthly to meet monthly needs,
    - Cash value of life insurance policies,
    - Motor vehicles (except as noted below), and
    - Stocks, bonds, mutual funds, etc.
  - **Excluded Resources.** Certain assets are excluded from the resource determination. These include:
    - One vehicle per adult (the equity value of other vehicles is counted);
    - Personal effects and household goods;
    - Personal savings of recipients selected to participate in an Individual Development Account (IDA) demonstration project (IDAs are personal savings matched by the state or other entity to be used for home purchase, investment in a business or self-employment, or costs of post-secondary education or training);
    - The family's home (which includes a house and lot in a town/city, or a house and one acre in a rural area);
    - Other real property (such as land or houses);
    - Non-salable partial interests in real property;
    - Burial insurance and burial spaces;
    - Inaccessible retirement accounts; and
    - Trust funds for minors under age 18.

### MUTUAL RESPONSIBILITY AGREEMENT

All families must sign a Mutual Responsibility Agreement (MRA). A family that fails to sign the agreement is ineligible for assistance (both parents must sign the contract if both are living in the household). The contract includes the caretaker's responsibilities to his/her family, work responsibilities, and any other components of the individual plan as determined by the worker(s) and the family.

## **General, Non-Work Related Requirements**

The Mutual Responsibility Agreement includes non-work related requirements. Some caretaker relatives will be subject to all of the requirements below, others to some but not all of these requirements:

- Ensure their children are immunized and obtain regular medical check-ups;
- Ensure their school-age children attend school;
- Cooperate with the Child Support Enforcement Agency;
- Live with a parent or other approved adult (for teen parents);
- Participate in financial management and life skills classes;
- Participate in individualized substance abuse treatment plans if a qualified substance abuse professional has determined they are at risk for alcohol or drug abuse;
- Attend family planning counseling;
- Participate in mental health treatment;
- Attend domestic violence counseling; and
- Participate in rehabilitation services.

Families must bring proof of compliance with these requirements to each review (for example, documentation from the doctor's office that the child has received his/her necessary immunizations and obtained regular medical exams.)

## **Work-Related Requirements**

MRAs for adults that are receiving employment services will include requirements related to work, including requirements to help eliminate the barriers to work. For example, non-exempt adults are required to register for First Stop (at the Employment Security Commission), and may be required to undergo substance abuse counseling. The goal is to help the family to achieve and maintain self-sufficiency.

## **Agency's Responsibilities**

The agency should provide or make available certain services that will help the family engage in work related activities. Agencies have a lot of flexibility in determining how to meet the family's needs.

- *One-time work-related expenses* that pertain to accepting or retaining employment (such as equipment, tools, uniforms, car repairs and insurance). Limits are not required by the state, but counties may set limits on the amount of money that will be paid to participants for one-time work related expenses.
- *Child care* for individuals actively participating in Work First, for employed Work First Family Assistance recipients, and for teenage custodial parents (if enrolled in any activity which meets the school attendance requirement). There are no annual limits for child care per individual or family. Eligibility for child care subsidies is based on the family's income.
- *Transportation services* can be purchased (or reimbursed directly to the participant) to support active program participation when no other transportation

resource is available. Counties may provide assistance with car repairs, vehicle licenses, car down payments, bus tokens, or may help pay for coordinated transportation services, taxis, or volunteer reimbursement. Limits are not required by the state, but counties may set limits on the amount of money that will be paid for transportation services.

- *Payment for component related expenses* such as tuition, fees, books, supplies or examination fees. Limits are not required by the state, but counties may set limits on the amount of money that will be paid for component related expenses.
- *Other payments for participation expenses* including car insurance, excess child care registration fees, payment for meals and refreshments. Limits are not required by the state, but counties may set limits on the amount of money that would be paid for participation expenses.
- *Case management and case management support* including helping the families access needed services, assessment and planning, coordination with other community resources, counseling and problem-solving, evaluation, job development and placement, and program development. Case management support activities are usually provided by staff other than the case manager, and may include instruction in household management, consumer education, time management, provision of transportation, child care coordination and placement. There is no limit on the amount of case management and case management support, whether provided by the agency or contracted staff.
- *Other supportive service* may be available, if local resources permit, and may include: in-home aides, personal and family counseling, individual and family adjustment services, or day care for adults, as well as other non-cash services to noncustodial parent.

## **WORK REQUIRE- MENTS**

Unless exempt, most caretaker relatives receiving Work First Family Assistance payments are subject to mandatory work requirements. Caretaker relatives in active work status must average a minimum of 35 hours a week in employment activities within three months of receiving Work First Family Assistance payments.

*Exemptions:* Certain Individuals exempt from the work requirements include:

- Single parents with children under age of one (the exemption cannot exceed 12 months per lifetime for each adult);
- Children under age 18 (unless the minor is emancipated); and
- Individuals with children under age six if adequate child care is not available (Families may qualify for this exemption if child care is not available within a reasonable distance from the parent's home or place of employment, if informal child care is unavailable or unsuitable, or if child care subsidy is not available and the cost of the child care is unaffordable.)

Families that do not meet one of these exemptions are considered mandatory work families. However, counties may not have the capacity to work with all families immediately. Each county determines which families will be assigned to "active work status" first.

## **First Stop Employment Assistance Program**

All Work First applicants and recipients, unless exempt, must register with the Employment Security Commission's First Stop Employment Assistance Program. First Stop helps adults with job search, job placement or referral to community services. Some counties have contracted with their local Employment Security Commissions to provide additional services.

## **Work First Active Work Requirements**

All families assigned to Work First "active status" should receive intensive case management and employment services. The family receives an assessment that identifies its strengths and challenges to employment, and results in a plan for immediate, intensive program participation (of at least 35 hours/week). For example, the caseworker will examine the family's strengths and household environment, current employability and job readiness, educational skills, employment skills and interests and supportive services needed.

All active participants are expected to be engaged in 35 hours per week in appropriate work activities. Two-parent families must participate in work or work activities at least 35 hours/week, or 55 hours/week if federally funded child care is provided. After the first three months, two-parent families will not receive a monthly cash assistance check until the family meets its 35/55 hour per week work activity ("*pay after performance*").

By federal law, families that have a 35 hour/week work requirement must spend at least 25 hours (or 30 hours beginning in October 1999) in a combination of the activities in List A. Activities in either List A or List B can be used to complete the remaining hours.

### *List A Activities*

- *Employment*—may be full-time or part-time.
- *Job search*—which helps participants seek employment in a structured setting; recipients must accept any suitable employment or risk losing their cash assistance. Work First participants will not be referred to, or placed on a job, when a non-Work First employee has been laid off from the same (or substantially equivalent) job.
- *On-the-job training*—a subsidized employment opportunity where the employer agrees to hire and train a participant in exchange for a partial subsidy.
- *Work experience/Community service*—an unpaid training opportunity with a public or private non-profit agency. Work experience is generally limited to participants who have been unable to find paid employment, need stronger job references or lack job-entry skills, and is limited to a certain number of hours per week.
- *Job readiness skills*—this program is intended to familiarize participants with workplace expectations and provide families with an array of skills critical to becoming and remaining employed.
- *Vocational training*—short term educational activity that helps prepare the participant for a specific vocation. (Participation and support in graduate and post-graduate programs are prohibited).

- *Providing child care for Work First participants in community service*—an unpaid work activity designed to give work experience to individuals interested in opening their own child care operation.
- *Work supplementation*—counties may use the applicant's food stamp or cash allotment to subsidize the participant in a paid employment position. Employers will receive this payment for up to 12 months to help subsidize the participant's paid employment. Wage supplementation is expected to lead to unsubsidized employment at the end of the agreed upon subsidy period. This activity is typically used for families in which the adult is less job-ready and difficult to place without the subsidy.

#### *List B Activities*

- *Job Preparedness activities*—which include Adult Basic Education (ABE), community based literacy programs, high school or GED programs or English as a Second Language (ESL), and Human Resource Development (HRD) programs.
- *Skills training*—this is a short-term training activity intended to prepare an individual for a specific occupation available in the labor market. Skills training should lead to a certificate, diploma, or associate degree.

*Note: In the past, families could not count the time they spent in post-secondary education towards their work requirements. However, a recent change in state law (1999) will enable up to 20% of families to count the time they spend in post-secondary education towards their required work hours.*

Individuals who do not meet their work requirements are subject to a monetary sanction unless they can show good cause.

#### **SANCTIONS**

Families who fail to meet certain programmatic requirements may be subject to sanctions. The sanction differs, depending on the nature of the noncompliance.

- *Mutual Responsibility Agreement.* Parents or caretakers who fail, without good cause, to participate in work or work activities, comply with the terms and conditions of their Mutual Responsibility Agreement, quit a job, are fired from a job, refuse a bona fide offer of employment, or fail to follow-up on a job referral, will be subject to the following sanctions:
  - 1<sup>st</sup> sanction: 25% reduction for three months;
  - 2<sup>nd</sup> and subsequent sanction: For a minimum of three months, the family will not receive any cash assistance until after they have completed the activity for which they were sanctioned. If compliance has not been reached at the end of three months, the case will terminate. In practice, this operates like two-parent pay-after-performance described previously.

Good cause is defined as:

- A significant family crisis or change;
- Illness of the caretaker or child, including participation in substance

abuse treatment or medical appointment, civil leave including jury duty, or a required court appearance; or

- Any other reason deemed sufficient by the county director or designee.

- **Child Support Enforcement.** Parents or caretakers who fail to cooperate with child support enforcement will have their Work First payment reduced by 25% until they cooperate.
- **Fraud and Abuse.** Parents or caretakers who intentionally give false information in order to qualify for assistance or otherwise affect the level of their benefits are subject to a sanction. The person who committed the fraudulent activity is disqualified for:
  - 12 months for the first violation,
  - 24 months for the second violation, and
  - Permanently for any subsequent violation.

*Note: An individual who is convicted of misrepresenting his or her residence to obtain Work First, Medicaid, SSI or Food Stamps in more than one location is ineligible for Work First family assistance for 10 years, beginning on the date of conviction. The rest of the family can continue to receive assistance.*

## TIME LIMITS

Families who are active in Work First Employment Services are limited to 24 months of Work First cash assistance. *After the family has received cash assistance for 24 months, that family can not receive additional cash assistance again for 36 months.* However, the family can continue to receive Food Stamps and Medicaid, if eligible, and may qualify for day care subsidies (See Chapters 26, 7, 4).

*Note: Child-only cases are not subject to either the 24 month or 60 month time limits.*

A family subject to the 24 month time limit on cash assistance may qualify for an extension of the time limit if the family, due to no fault of its own, is unable to obtain employment that provides a basic level of subsistence (defined as the earnings that exceed the maximum family payment). To qualify, the participant must show that he/she actively complied with the Mutual Responsibility Agreement, and that he/she did not reject a bona fide job offer, was not fired or did not quit a job without good cause.

Good cause is limited to:

- The disability of the caretaker as substantiated by a doctor's statement or receipt of disability benefits;
- The disability of a child or other family member which requires the caretaker to remain at home and provide care (this must also be substantiated by a doctor's statement);
- A family crisis or change including, but not limited to, death of a spouse, parent or child;
- A lack of necessary child care; or



- Other unique circumstances as determined by the county Department of Social Services which prevents the Work First active participant from obtaining or retaining employment.

The Department of Social Services must review each family's case three months before the end of the 24 month time limit. Specifically, the agency must ensure that the time limits were calculated properly, determine if the family qualifies for an extension of the 24 months, and must help families prepare for the loss of benefits.

In addition to the 24 month time limit for cash assistance, *all families are subject to a 60 month lifetime maximum on receipt of benefits.* The 60-month time limit only counts cash or cash like assistance the family received after January 1, 1997 (earlier in some states). *The 60 month time limit is a cumulative total, and includes any time that the family received TANF benefits in other states.*

*Electing counties can set different time limits, as long as the limits do not exceed the 60 month lifetime maximum.*

**NUMBERS SERVED**

The Work First program served 186,465 individuals on an average monthly basis in SFY 97-98.

**PRIORITIZATION SYSTEM**

Work First is not an entitlement program, but to date the funding has been sufficient to serve all eligibles.

**APPEAL RIGHTS**

Any decision regarding Work First—whether an approval, denial, termination, modification of assistance, or the imposition of a sanction by the county DSS—may be appealed. An appeal must be requested, either orally or in writing, within 60 calendar days of the written notice of decision, or within 90 calendar days if good cause is shown for the delay. If the request is made within 10 workdays of the notice of action benefits can continue until the first decision is made. If the family loses the appeal, the continued benefits are considered an overpayment and must be repaid by the family.

**Local Hearing**

The first level of appeal is a local hearing in all cases except when the issue is whether a parent is incapacitated. The local hearing should be scheduled within five calendar days after it is requested, although the person appealing has the right to request a postponement for an additional 10 days. It will be held at the Department of Social Services, unless the person appealing is bedridden.

The person appealing has the right to be represented. The representative does not need to be an attorney, but may be. (See chapter on Legal Services regarding legal representation). Either the person appealing or his/her representative has the right to see and have free copies of their file at DSS prior to the hearing. The person appealing or his/her representative can ask questions of the DSS worker involved in the initial decision to establish or clarify certain facts. The person appealing can present evidence (documents and/or witnesses) and testify, and they may need to answer questions posed by either the

hearing officer or the DSS worker. Court rules of evidence do not apply, as these hearings are typically informal. The local hearing officer will make a decision within five calendar days of the hearing and mail it to the person who appealed.

### **State Level Hearing**

In standard counties, if the local hearing decision is not satisfactory, a state level hearing may be requested. The state level hearing must be requested, either orally or in writing, within 15 calendar days of the date of the local hearing decision. (In electing counties, the county must hold the second-level review.)

A state hearing officer based in Raleigh holds the state level hearing at the county Department of Social Services. It will be scheduled by the hearing officer, and usually held within three to six weeks after the request. The state level hearing is similar in format to the local hearing. The state hearing officer will issue a written decision and mail it to all parties. The decision is initially tentative. Either party has ten days to request that the Chief Hearing Officer review it. If neither party requests a review, the hearing officer's decision becomes the final agency decision which can be appealed to Superior Court. All electing county hearings will be held locally.

If either party requests it, the Chief Hearing Officer will accept additional written or oral arguments supporting or opposing the decision. The Chief Hearing Officer will then issue a final decision in writing and mail it to all parties. The final decision should be issued within 90 days of the initial request for an appeal.

### **Judicial Review**

The final agency decision can be appealed to Superior Court by filing a Petition for Judicial Review within 30 days of the receipt of the final decision. As a practical matter, this can rarely be accomplished successfully without the services of an attorney. Free legal help may be available from the local Legal Services program (see Chapter on Legal Services). The procedures for Judicial Review are controlled by NCGS 108A-79(k) and the Administrative Procedures Act at NCGS 150B Part 4.

*Note: Electing counties must have substantially similar appeal procedures.*

### **FINANCING**

Work First is financed through federal, state and county appropriations. Approximately 60% of the program costs are financed by the federal government, 20% by the state, and 20% by the counties. In SFY 1997-98, a total of \$419.7 million in federal, state and local funds were spent on the program. This includes both cash payments to the families as well as the costs of services.

### **ADMINISTRATION**

The program is administered on the federal level by Administration for Children and Families within the US Department of Health and Human Services. At the state level, the Economic Independence Section of the Division of Social Services within the NC Department of Health and Human Services administers the program. The program is administered at the local level by the county Departments of Social Services (although

beginning in 1999, other public or private agencies may have responsibility for administering the program in Electing Counties).

<b>SOURCES OF LAW</b>	Federal statute:	42 USC 601 <i>et. seq.</i> As amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193
	Federal regulations:	Being developed
	State statutes:	NCGS 108A-24 <i>et. seq.</i>
	State policy:	Work First Manual
	State plan:	<a href="http://www.state.nc.us/DHR/DSS/">www.state.nc.us/DHR/DSS/</a>

**FOR MORE INFORMATION**

Economic Independence Section  
Division of Social Services  
NC Department of Health and Human Services  
325 N. Salisbury St.  
10<sup>th</sup> Floor Albemarle Bldg.  
Raleigh, NC 27603  
919-733-7831

CARELINE: 1-800-662-7030

