

# Social Services

---

In addition to approving the state Work First plan and allocating federal Temporary Assistance for Needy Families (TANF) Block Grant funds, the General Assembly made several significant changes in the state's Work First program. These include increasing the length of time a family can qualify for transitional Medicaid, increasing opportunities for Work First recipients to continue their educations, and mandating the review of families' cases as they approach their time limits for receiving benefits. Other changes affected the structure for providing funds to counties and the maintenance of effort requirements that apply to counties. In other areas, the General Assembly appropriated funds for the expansion of the Smart Start program to all one hundred counties, made numerous changes relating to child support enforcement, and clarified the role of county social services departments in responding to reports of abuse or neglect of children in institutions.

## **Work First (Temporary Assistance for Needy Families)**

### **Approval of State Work First Plan**

North Carolina's Temporary Assistance for Needy Families (TANF) program, known as Work First, replaced the Aid to Families with Dependent Children (AFDC) program in 1996. The Work First program is established and governed by Article 2 of Chapter 108A of the General Statutes; however, the state Work First plan sets out program details regarding eligibility, types of assistance provided, and administration. The state plan provides the basis for the state's receipt of funding through the federal TANF block grant. The 1999 Appropriations Act, S.L. 1999-237 (H 168), approves North Carolina's revised 1998 state Work First plan (as amended by legislation enacted during the 1999 legislative session) and makes it effective through September 30, 2001.

### **Funding for Work First**

**Federal TANF Block Grant.** North Carolina receives approximately \$364.1 million annually from the federal government through the state's TANF block grant. These funds are subject to appropriation by the General Assembly and may be used by the state to provide temporary

assistance for needy families in accordance with the restrictions and requirements contained in the federal TANF statute.

The 1999 Appropriations Act, S.L. 1999-237 (H 168), as amended by S.L. 1999-359 (S 1134), appropriates \$133.4 million of North Carolina's federal TANF block grant for Work First cash assistance for families in counties that operate the standard Work First program, \$38.3 million to "electing" counties for Work First cash assistance, and \$62.1 million for Work First block grants to counties to provide Work First services. Most counties administer the "standard" Work First program. Twenty-one counties have been designated as "electing" counties and have greater flexibility to design and administer their own county Work First programs. S.L. 1999-237 also allocates approximately \$43 million for other Work First program activities and services (including \$15 million for child care subsidies for Work First recipients, \$5.4 million for pilot programs, \$4.1 million for employment assistance, \$3.5 million for substance abuse screening and testing, and \$3.6 million for teenaged pregnancy prevention and reduction of out-of-wedlock births). The act also transfers approximately \$87.6 million in TANF funds to the Social Services Block Grant (SSBG) and the Child Care Development Fund Block Grant (CCDFBG) for child care subsidies and social services for needy families.

**Federal and State Funding for Work First.** As a condition of receiving federal TANF funds, North Carolina must provide financial support (through state and local funding) for its Work First program and other programs for needy families at a level that is at least 80 percent of the amount of state and local funding for the state's former AFDC program. This is known as TANF's "maintenance of effort" (MOE) requirement. State law currently provides that state funding for Work First and other services for needy families will be maintained at 100 percent of the amount of the state's certified budget for AFDC in state fiscal year (SFY) 1996-97.

S.L. 1999-359 authorizes the state Department of Health and Human Services (DHHS) to "realign [Work First] funds if the realignment will assure that maintenance of effort requirements are met while maximizing federal revenues." S.L. 1999-359 also amends G.S. 108A-27.12 to allow DHHS to reallocate any federal or state Work First (TANF) block grant funding that has been released by a standard county that reduces its Work First "maintenance of effort" level or that is not spent by a standard county. The legislation indicates that Work First funding reallocated to other counties must be matched by county funding, but it does not specify the amount of the county match that is required or prescribe guidelines or formulas for the reallocation of these funds.

Electing counties receive federal TANF funds from the state through a Work First block grant that may be used to provide cash assistance and services to Work First families. G.S. 108A-27.11(c) provides that the block grants to electing counties for Work First cash assistance are computed based on the amount of AFDC cash assistance paid to county residents in SFY 1995-96, expressed as a percentage of statewide AFDC expenditures for cash assistance, multiplied by the amount of federal and state funding budgeted for Work First cash assistance. Once these block grant funds are paid to electing counties, they do not revert. Because the number of families receiving Work First cash assistance has declined dramatically in recent years, electing counties have received several million dollars more in Work First block grants than they need to provide assistance to Work First families. S.L. 1999-359 does not change the funding formula in G.S. 108A-27.11 for Work First block grants for electing counties, but it does appropriate a specific amount of federal TANF funding for Work First cash assistance for electing counties that is approximately \$5.4 million less than they otherwise would have received (but still more than adequate to cover their projected costs for Work First cash assistance).

**County Funding for Work First.** North Carolina's Work First program is administered jointly by the DHHS Division of Social Services and North Carolina counties (generally through county departments of social services). In order to meet its TANF MOE requirement, North Carolina requires that all counties provide local funding for the Work First program and other services for needy families. S.L. 1999-359 makes several changes with respect to the MOE requirements for counties.

The 1999 legislation directs DHHS to work with counties to allow flexibility in the spending of federal, state, and county Work First funds to maximize the use of financial resources while

ensuring that federal TANF MOE requirements are met. It also directs DHHS to work with counties, area mental health authorities, and other public and private agencies to identify services for needy families that meet federal MOE requirements. The legislation requires DHHS to report quarterly to the General Assembly's Fiscal Research Division, the Joint Legislative Public Assistance Committee, and the Senate and House Human Resources Appropriations Subcommittees on the extent to which the state and counties are meeting federal MOE requirements.

The legislation modifies the Work First MOE requirements for standard counties in two respects. First, it redefines the MOE requirement for standard counties as 100 percent of each county's funding for AFDC emergency assistance (cash and services), AFDC administration, and JOBS employment and training in SFY 1996–97. Second, it allows a standard county to request that its MOE (and its Work First block grant funding) be reduced if the county can demonstrate that it is meeting all of the needs of its clients for child protection, employment services, and related supportive services, such as child care, without spending all of its block grant funds.

S.L. 1999-359 also revises the MOE requirements for electing counties that failed to achieve all of their Work First goals in SFY 1998–99. During SFY 1999–2000 these electing counties must maintain their financial support for Work First and other services at a level that is at least 90 percent of the amount they budgeted for the AFDC program during SFY 1996–97. If an electing county achieves all of its Work First goals during SFY 1999–2000, then for SFY 2000–2001 and subsequent years the county may reduce its MOE to 80 percent of the amount the county budgeted for the AFDC program during SFY 1996–97.

S.L. 1999-359 also authorizes the imposition of additional sanctions if a county fails to meet its MOE requirement. Under the new law, if a county fails to meet both its Work First MOE requirement and the performance indicators that would justify reducing its MOE, DHHS may

1. require the county to submit a corrective action plan pursuant to G.S. 108A-27.14 (which allows DHHS to intervene with respect to a county's administration of the Work First program when the county fails to meet acceptable levels of performance and does not correct its failure),
2. reduce the county's Work First funding, or
3. use the county's Work First block grant allocation to secure needed services for clients in the county as well as withhold other state funding for public assistance and social services under G.S. 108A-93.

**Work First Reserve Fund.** In 1997 the General Assembly established a Work First Reserve (G.S. 143-15.3C) to provide additional funding for the Work First program if estimated spending for the program exceeds available funding. Section 6 of S.L. 1999-237 repeals G.S. 108A-27.16, which authorized the Governor to use funds from the Work First Reserve if certain conditions were met. It amends G.S. 143-15.3C to provide instead that Work First Reserve funds may be expended only through an appropriation by the General Assembly and to delete requirements for the annual transfer of one-quarter of the state's unexpended Work First funds to the Work First Reserve. Section 6 of S.L. 1999-237 also withdraws all of the funds from the Work First Reserve for current spending for Work First and other social services programs.

**Welfare-to-Work Block Grant.** The 1999 Appropriations Act, S.L. 1999-237 (H 168), appropriates North Carolina's \$23.7 million federal Welfare-to-Work block grant to the Department of Commerce to administer the state's welfare-to-work program. This program, which is separate from the state's Work First program, provides grants to local governments and community organizations to fund community service or work experience programs, job creation through public or private employment wage subsidies, on-the-job training, job placement, job readiness, job retention, and employment support services (including child care) targeted to Work First recipients who experience significant barriers to employment and to noncustodial parents of needy children. The legislation directs the Department of Commerce to identify available state and local funding that may be used to meet the federally required 25 percent state-local match.

## **Review and Approval of County Work First Plans**

**Submission of County Work First Plans.** The state's welfare reform law requires each county to submit a biennial county Work First plan to DHHS. The 1999 Appropriations Act, S.L. 1999-237 (H 168), amends the law to require that county Work First plans be submitted to DHHS by January 15 (for counties operating a "standard" Work First program) or February 1 (for counties requesting permission to administer the Work First program as an "electing" county) of each odd-numbered year (rather than in even-numbered years).

**Approval and Review of "Electing" County Work First Programs.** In 1998 the General Assembly designated twenty-one North Carolina counties as "electing" counties, which have increased authority to develop and implement their own county Work First programs. S.L. 1999-237 provides that the General Assembly's 1998 designation of electing counties will be for the period through September 30, 2001. Designated electing counties may request redesignation as standard counties, and standard counties may request redesignation as electing counties at least six months before the effective date of the next biennial state TANF plan (Oct. 1, 2001).

Under the 1997 welfare reform law, DHHS is required to make recommendations to the General Assembly with respect to the designation of electing counties, but the General Assembly retains the authority to determine how many counties may be designated electing counties (currently, no more than 15.5 percent of the state's total Work First caseload) and which counties will be designated as electing counties. S.L. 1999-359 amends North Carolina's welfare reform law to require DHHS to review the county Work First program of each previously designated electing county and make a recommendation to the General Assembly with respect to whether the county should be redesignated as an electing county. DHHS's review must consider, among other things, whether each electing county's Work First program and policies are unique and innovative compared to other standard and electing Work First programs and whether the county's Work First program requires the county's redesignation as an electing county or could be implemented under the standard Work First program.

**Pilot Programs to Assist Needy Families.** S.L. 1999-359 authorizes DHHS to use up to \$5.4 million in federal TANF funds to make grants to state or local government agencies or non-profit, tax-exempt organizations to address the problems of families with significant employment barriers to economic self-sufficiency and to reduce or prevent intergenerational poverty. Pilot programs must focus on one or more of eight specified outcomes; be developed in collaboration with the Employment Security Commission, business entities, faith communities, educational institutions, law enforcement agencies, community organizations, and other human services agencies; and meet guidelines established by DHHS in consultation with the Employment Security Commission, the Department of Public Instruction, the Office of Juvenile Justice, county departments of social services, advocacy organizations, and other human services agencies.

## **Work First Assistance and Services for Needy Families**

**Eligibility for Work First Cash Assistance.** S.L. 1999-359 directs DHHS to amend the state's Work First (TANF) plan to require that eligibility for Work First cash assistance be determined based on the AFDC "standard of need" that was in effect for SFY 1997-98 (\$544 per month for a family of three) rather than the former AFDC "payment level" (\$272 per month for a family of three). This provision has the effects of making more needy families eligible for cash assistance under the Work First program and increasing the amount of cash assistance paid to Work First families who have other income, such as earnings from employment. A similar provision is included in Section 11.12(d) of S.L. 1999-237. The DHHS Division of Social Services has interpreted these provisions to apply to both electing counties and the standard Work First program.

**Emergency Assistance for Needy Families.** S.L. 1999-359 requires every county, whether standard or electing, to establish an emergency assistance program for families using a county-established income eligibility standard that does not exceed 200 percent of the federal poverty level.

**Time Limits on Assistance.** North Carolina's Work First law (G.S. 108A-27.1) generally prohibits a family from receiving Work First assistance for more than twenty-four months and provides that after a family reaches the twenty-four month time limit, it may not receive Work First assistance for a period of thirty-six consecutive months. (The federal welfare reform law imposes a sixty-month lifetime limit on the receipt of federally funded TANF assistance.)

S.L. 1999-359 makes two changes with respect to North Carolina's Work First time limits. First, the new law requires every county to review each Work First case at least three months before the family's twenty-four-month time limit expires to ensure that

- the time limit has been computed correctly,
- the family has been informed of other assistance and services that are available after cash assistance is no longer available, and
- the time limit is extended if the family qualifies for an extension.

Second, the new law provides that, in counties operating a standard Work First program, a family's twenty-four-month time limit must be extended for up to three years if a Work First recipient is enrolled at least part-time in a postsecondary education program and maintains a 2.5 grade point average.

**Work Requirements.** S.L. 1999-359 provides that part-time or full-time enrollment in a post-secondary education program is an authorized work activity for up to 20 percent of the state's Work First recipients.

**Assistance for Two-Parent Families.** S.L. 1999-359 requires both standard and electing counties to provide at least three months of cash assistance to eligible two-parent families before they are subjected to "pay-after-performance" requirements regarding employment and work-related activities.

**Eligibility for Work First Support Services.** S.L. 1999-359 provides that Work First support services (including work-related support services for noncustodial parents but *not* cash assistance) must be made available to families with incomes that do not exceed 200 percent of the federal poverty level. The former income eligibility limit for Work First support services was 150 percent of the federal poverty level.

**Transportation for Work First Recipients.** S.L. 1999-359 requires DHHS and the Department of Transportation jointly to develop strategies for assisting low-wage workers who receive Work First assistance to obtain dependable transportation to and from work, child care services, and educational activities. These agencies must report jointly on the development and implementation of these strategies to the Senate and House Human Resources Appropriations Subcommittees and to the Joint Legislative Public Assistance Committee by May 1, 2000.

### **Unemployment Benefits for Work First Recipients**

S.L. 1999-421 (H 278) amends G.S. 96-9(c)(2)b to provide that unemployment compensation benefits paid to a current or former Work First recipient will not be charged to the account of the employer for whom the recipient or former recipient worked at the time of his or her separation from employment if the recipient or former recipient

1. was separated from employment due solely to his or her inability to do the work for which he or she was hired,
2. was employed for fewer than 101 days, and
3. was a recipient of Work First assistance in the last calendar quarter preceding the quarter in which he or she was paid wages by the employer.

## Other Public Assistance Programs

### Medicaid

**Extended Medicaid Coverage for Former Work First Families.** Under prior law, families who otherwise would have lost Medicaid coverage when they lost their eligibility for Work First cash assistance due to increased earnings or hours of employment were eligible for an additional twelve months of “transitional” Medicaid coverage following termination of their Work First assistance. The 1999 Appropriations Act, S.L. 1999-237 (H 168), now allows these families to receive “transitional” Medicaid benefits for twenty-four, rather than twelve, months.

**Study Expanded Medicaid Eligibility for the Elderly and Disabled.** In North Carolina an individual who is elderly, blind, or disabled may be eligible for Medicaid if (a) his or her income is below North Carolina’s medically needy income limit, the Supplemental Security Income (SSI) income limit, or 100 percent of the federal poverty level *and* (b) the value of his or her countable assets (excluding the home and other specified property) does not exceed \$2,000 (\$3,000 for a couple). S.L. 1999-237 directs DHHS to study the feasibility and cost of tripling the Medicaid asset limits for elderly, blind, and disabled persons and to submit a report of its study to the House and Senate Human Resources Appropriations Subcommittees by May 1, 2000.

**Medicaid Fraud Incentive Payments to Counties.** S.L. 1999-237 authorizes, but does not require, the DHHS Division of Medical Assistance to provide financial incentives (sharing recovered state funds) to counties that successfully recover fraudulent Medicaid payments.

**Study Medicaid Estate Recovery Policy and Law.** The federal Medicaid statute requires states to attempt to recover the cost of Medicaid payments made on behalf of certain elderly or disabled persons by filing claims against the estates of these deceased Medicaid recipients. In 1994 North Carolina’s General Assembly, in response to this federal requirement, enacted legislation (G.S. 108A-70.5) establishing a state Medicaid Estate Recovery Program. [North Carolina’s Medicaid Estate Recovery Program is discussed in more detail in John L. Saxon, “Recovering Medicaid Payments from the Estates of Elderly or Disabled Persons,” *Elder Law Bulletin* No. 5 (Chapel Hill, N.C.: Institute of Government, The University of North Carolina at Chapel Hill, Aug. 1997).]

The Studies Act of 1999, S.L. 1999-395 (H 163), authorizes the Legislative Research Commission to conduct a comprehensive study of North Carolina’s current Medicaid estate recovery policies and law to determine the feasibility and desirability of enhancing recovery efforts beyond minimum federal requirements. If the commission studies this issue, it must report its findings and recommendations to the General Assembly’s regular 2000 legislative session or to the 2001 General Assembly.

### State-County Special Assistance for Adult Care Home Residents

**Increased Maximum Payment.** North Carolina’s State-County Special Assistance program provides financial assistance to elderly or disabled persons who live in adult care homes and cannot afford to pay the full cost of their care. The cost of Special Assistance payments is divided equally between the state and North Carolina’s counties. Effective October 1, 1999, the 1999 Appropriations Act, S.L. 1999-237 (H 168), increases the maximum Special Assistance payment from \$956 to \$982 per month (except in the case of “grandfathered” Special Assistance recipients). Effective October 1, 2000, the maximum payment will increase to \$1,016 per month.

**Medicaid Personal Care Services.** The nonfederal share of Medicaid payments for personal care services provided to elderly or disabled adult care home residents who receive Special Assistance payments is divided between the state and counties. Section 11.22 of S.L. 1999-237 revises the formula for allocating this cost between the state and counties. Under the revised formula, the counties’ portion of the nonfederal share of these costs will decrease annually from 50 percent to 15 percent between January 1, 2000, and January 1, 2005. The act also authorizes DHHS, effective January 1, 2000, to transfer funds from the State-County Special Assistance

program to support expansion of Medicaid personal care services for residents of adult care homes.

The Studies Act of 1999, S.L. 1999-395 (H 163), directs the North Carolina Study Commission on Aging to study the rationale and appropriateness of present cost-sharing of nonfederal costs of Medicaid services for all State-County Special Assistance recipients. The commission is required to report its findings and recommendations to the General Assembly by May 1, 2000.

**Personal Needs Allowance.** The 1999 Appropriations Act, S.L. 1999-237 (H 168), increases from \$31 to \$36 per month the personal needs allowance for Special Assistance recipients—money recipients may retain from their own income to pay personal expenses.

**Medical and Social Evaluation of Special Assistance Applicants and Recipients.** Section 11.22A of S.L. 1999-237 appropriates \$631,200 for 1999–2000 and \$1,271,200 for 2000–2001 to fund additional positions in DHHS and in county social services departments to evaluate the medical and social needs of elderly and disabled persons requesting or receiving State-County Special Assistance payments for care in adult care homes. The act does not indicate how these funds will be allocated to counties or whether county matching funds are required.

**Demonstration Project to Support In-Home Care.** Section 11.21 of S.L. 1999-237 authorizes DHHS to provide State-County Special Assistance payments during the 1999–2001 biennium to up to 400 otherwise eligible persons who are living at home rather than in adult care homes. DHHS must make interim and final reports to specified legislative committees with respect to the demonstration project, the cost savings that might result from allowing elderly or disabled persons to remain at home rather than moving to adult care homes, and other specified issues.

## Child Welfare Services

### Abuse, Neglect, Dependency: Children in Institutions

Section 1 of S.L. 1999-190 (H 262) amends the Juvenile Code's definition of *caretaker* in G.S. 7B-101(3) to specify that a "person responsible for a juvenile's health and welfare [in a residential setting]" includes "any employee or volunteer of a division, institution, or school operated by the Department of Health and Human Services."

Section 2 of the act amends G.S. 7B-302(b) to address the responsibility of a county department of social services when it receives a report of suspected abuse, neglect, dependency, or death from maltreatment relating to a juvenile in an institutional setting, such as a residential child care or educational facility. In those cases the department must ascertain immediately whether other juveniles remain in the facility subject to the alleged perpetrator's care or supervision and, if so, assess the circumstances of those juveniles to determine whether they require protective services or whether their immediate removal from the facility is necessary for their protection.

### Foster Care and Adoption Assistance Payments

Section 3 of S.L. 1999-190 (H 262) amends G.S. 108A-49, effective June 18, 1999, to (1) require that county departments of social services pay, at a minimum, the monthly graduated foster care assistance payments and adoption assistance payments for eligible children as set by the General Assembly and (2) clarify that counties may make higher payments.

Sections 11.23 and 11.24 of S.L. 1999-237 establish the mandated minimum rates (which also are the maximum rates for which state participation is available) at the following amounts per child, per month:

- \$315 for children from birth through age five
- \$365 for children aged six through twelve
- \$415 for children aged thirteen through eighteen

Section 11.25 of S.L. 1999-237 establishes the following monthly rates for human immunodeficiency virus (HIV) foster care and adoption assistance:

- \$800 per child with indeterminate HIV status
- \$1,000 per child confirmed HIV-infected, asymptomatic
- \$1,200 per child confirmed HIV-infected, symptomatic
- \$1,600 per child terminally ill with complex care needs

The section also provides that in addition to providing board payments to foster and adoptive families of HIV-infected children, any additional funds appropriated for that purpose and remaining shall be used to provide medical training in avoiding HIV transmission in the home.

### **Interstate Compact on Adoption and Medical Assistance**

Section 5 of S.L. 1999-190 adds the Interstate Compact on Adoption and Medical Assistance as a new Article 39 of G.S. Chapter 7B, the Juvenile Code. It authorizes the Secretary of Health and Human Services to enter into interstate agreements with agencies of other states to protect children for whom adoption assistance is being provided by DHHS and to provide procedures for interstate adoption assistance payments, including payments for medical services. Acting on behalf of the state, the Secretary may develop, participate in the development of, negotiate, and enter into interstate compacts that will have the "full force and effect of law."

**Mandatory Provisions.** Any compact under the new article *must* contain all of the following:

1. a provision making it available for joinder by all states;
2. a provision for withdrawal from the compact on written notice to the parties, with a period of at least one year between the date of the notice and the effective date of the withdrawal;
3. a requirement that protections afforded under the compact continue in force for the duration of the adoption assistance and apply to all children and their adoptive parents who, on the effective date of the withdrawal, are receiving adoption assistance from a party state other than the state in which they are residents and have their principal place of abode;
4. a requirement that each instance of adoption assistance to which the compact applies be covered by a written adoption assistance agreement between the adoptive parents and the state child welfare agency of the state that undertakes to provide the adoption assistance and that the agreement be expressly for the benefit of the adopted child and enforceable by the adoptive parents and the state child welfare agency providing the adoption assistance;
5. any other provisions appropriate to implement the proper administration of the compact.

**Permissive Provisions.** A compact under the new article *may* establish procedures for and entitlement to medical and other necessary social services for the child in accordance with applicable laws, even though the child and adoptive parents are in a state other than the one responsible for or providing the services or funds to defray the cost. A compact also may contain any other provisions appropriate or incidental to the proper administration of the compact.

**Medical Assistance.** A child with special needs who is a resident of North Carolina and who is the subject of an adoption assistance agreement with another state must be accepted as being entitled to receive medical assistance certification from North Carolina upon the filing with the department of social services in the county in which the child resides of a certified copy of the adoption assistance agreement obtained from the other state. The Division of Medical Assistance must consider the holder of a medical assistance certification under this provision to be entitled to the same medical benefits under the laws of North Carolina as any other holder of a medical assistance certification. These provisions apply only to medical assistance for children under adoption assistance agreements from states that have entered into a compact under which the other state provides medical assistance to children with special needs under adoption assistance agreements made by North Carolina.

**Federal Participation.** DHHS must include the provision of adoption assistance and medical assistance for which the federal government pays some or all of the cost in any state plan made

pursuant to the Adoption Assistance and Child Welfare Act of 1980, Titles IV(E) and XIX of the Social Security Act, and any other applicable federal laws.

**Compact Administrator.** The Secretary of Health and Human Services may appoint a Compact Administrator to be the general coordinator of activities under this compact in this state. Acting jointly with like officers of other party states, the administrator may promulgate rules to carry out the terms and provisions of this compact.

### **Funding**

Child welfare–related appropriations made in Section 5 of S.L. 1999-237 to DHHS for 1999–2000 include (1) \$2 million for a revised Intensive Family Preservation Services Program, to be developed and implemented on a regional basis in areas of high foster care placements as compared to the numbers of children substantiated for abuse, neglect, or dependency; (2) \$1 million for grants to Boys and Girls Clubs across the state for approved programs; (3) \$2.8 million for the Special Children Adoption Fund; and (4) \$2 million for teen pregnancy prevention.

### **Other Legislation Relating to Child Welfare**

**Dual Response Pilot.** Section 11.27 of S.L. 1999-237 continues provisions relating to a pilot dual response system of child protection.

**Reports on Child Fatality Review and System Changes.** Section 11.28(a) of S.L. 1999-237 requires the DHHS Division of Social Services to report semiannually on the activities of the State Child Fatality Review Team and to make a final report, including recommendations for changes in the statewide child protection system, to House and Senate appropriations subcommittees no later than April 1, 2000.

**Child Welfare Worker Training Exception.** Section 11.28(b) of S.L. 1999-237 authorizes the Division of Social Services to grant a total or partial exception from the requirement that child welfare workers have at least seventy-two hours of preservice training to child welfare workers who satisfactorily complete or are enrolled in a master’s or bachelor’s degree program after July 1, 1999. The program must be at an accredited North Carolina social work program, and the curricula must cover the training requirements established by the division.

**Juvenile Code Changes.** The General Assembly made several important changes in Juvenile Code provisions relating to abuse, neglect, and dependency. These are discussed in Chapter 4 (Children and Families).

## **Child Support Enforcement (IV-D) Services**

### **State and Local Child Support Enforcement Agencies**

S.L. 1999-419 (H 660) amends G.S. 58-70-15 to clarify that state and local child support enforcement agencies are not considered “collection agencies” subject to licensure and regulation by the Department of Insurance under Chapter 58 of the General Statutes.

### **Automated Administrative Child Support Enforcement**

S.L. 1999-293 (H 302) enacts a new statute, G.S. 110-139.3, requiring DHHS to use high-volume, automated administrative child support enforcement methods to collect child support in interstate child support enforcement cases.

## **Other Legislation Affecting Child Support and Paternity**

S.L. 1999-293 makes a number of changes intended to improve North Carolina's child support laws. These legislative changes are discussed in Chapter 4 (Children and Families).

## **Child Care Programs and Assistance**

### **Allocation of Child Care Funds to Counties**

The 1999 Appropriations Act, S.L. 1999-237 (H 168), directs DHHS to use the following formula to allocate all noncategorical federal and state funds for child care for needy families:

- one-third based on each county's population in relation to the state's total population,
- one-third based on each county's proportionate number of children under the age of six living in families with incomes under the federal poverty level, and
- one-third based on each county's proportionate number of working mothers with children under the age of six.

A county's initial child care allocation, however, may not be less than the county's total expenditures for child care (including child care under the Family Support Act and other programs) in SFY 1995-96. DHHS retains the authority to reallocate child care subsidy funds in order to meet the child care needs of low-income families.

### **Child Care Subsidy Fraud: Criminal Penalties and Incentive Payments**

S.L. 1999-279 (H 304) enacts a new statute, G.S. 110-107, establishing criminal penalties with respect to the fraudulent receipt of child care subsidy payments. Under the new law, parents (or other beneficiaries of child care subsidies) and child care providers are guilty of fraud if they obtain, attempt to obtain, or assist another person in obtaining or attempting to obtain a child care subsidy payment by making a false statement or failing to disclose a material fact with the intent to deceive. The offense is a Class 1 misdemeanor if the amount of the subsidy is \$1,000 or less and a Class I felony if the amount is more than \$1,000. These criminal penalties apply with respect to offenses committed on or after December 1, 1999.

S.L. 1999-279 also enacts G.S. 110-108, which allow a local purchasing agency (including a county agency administering child care subsidy funding) to retain all fraud and overpayment claims collected by the agency, to use 75 percent of these funds to provide additional child care subsidies, and to use 25 percent of the funds to improve program integrity.

### **Smart Start (Early Childhood Development Initiatives)**

The General Assembly appropriated to the DHHS Division of Child Development \$58 million for 1999-2000 and almost \$80 million for 2000-2001 for Smart Start administration and services in all one hundred counties.

Section 11.48 of S.L. 1999-237 amends G.S. 143B-168.12(a)(1) to add an exemption to the requirement that the North Carolina Partnership's policy on membership of local boards require members to be residents of the county or the partnership region they are representing when a member is appointed because of a position the person holds. It also amends G.S. 143B-168.15(g) to require local partnerships to give priority to augmenting the state's supplemental subsidy payment rate per child per month for licensed child care centers and homes that earn a rated license that exceeds the minimum licensing standards.

### **Other Legislation Relating to Child Care**

**Child Care Commission Authority.** G.S. 110-88 describes the powers and duties of the state Child Care Commission. S.L. 1999-130 (H 287) amends the section to provide that the

commission and the DHHS Division of Child Development may not require the standards, policies, or curriculum of any single accrediting child care organization. This replaces a provision that prohibited them from promoting or from requiring the use of training materials, curriculum, or policies developed or provided by the National Association for the Education of Young Children or the National Institute for Early Childhood Professional Development. The act also amends the section to make clear that the commission may require inspections by and satisfactory written reports from local or state building inspection agencies before issuance of an initial license.

**Religious-Sponsored Child Care.** In relation to religious-sponsored child care facilities, S.L. 1999-130

1. amends G.S. 110-91(8) to specify that the staff qualification requirements of that subdivision do not apply to religious-sponsored child care facilities;
2. amends G.S. 110-99(b) to exclude drop-in or short-term child care provided in churches from the requirements that otherwise apply to drop-in or short-term child care; and
3. adds a new section, G.S. 110-88.1, providing that nothing in Article 7 of G.S. Chapter 110 shall be interpreted to allow the state to determine the training or curriculum offered in any religious-sponsored child care facility, as defined in G.S. 110-106(a).

**Repeal of Sunset.** S.L. 1999-130 repeals Section 4(b) of S.L. 1997-506, a sunset provision that provided for the enhanced program standards adopted by the Child Care Commission pursuant to G.S. 110-88(7) to expire July 1, 1999.

**Child Care Subsidy Study.** Section 2.1 of S.L. 1999-395 authorizes the Legislative Research Commission to study child care subsidy issues, including state implementation of federally mandated biennial market-rate surveys and provider reimbursement formulas, under the new five-star rated license, for the child care subsidy program. If the commission chooses to undertake this study, it may report to the General Assembly in the 2000 session or to the 2001 General Assembly.

**Unemployment Benefits for Workers with Child Care Responsibilities.** S.L. 1999-196 (H 277) prevents certain people who are unemployed due to hardships relating to child care and other family responsibilities from being disqualified for unemployment benefits. This legislation is discussed in Chapter 4 (Children and Families).

## Other Social Services Programs

### Adult Protective Services

The 1999 Appropriations Act, S.L. 1999-237 (H 168), appropriates \$1 million in new, recurring state funding for 1999–2000, and \$2 million in recurring state funding for 2000–2001, to support additional social worker positions providing adult protective services through county departments of social services.

Section 1.10 of S.L. 1999-334 (S 10) amends G.S. 108A-103 to establish new time frames for county social services department investigations of certain reports involving the abuse or neglect of disabled adults. This provision is discussed in more detail in Chapter 21 (Senior Citizens).

### Health Insurance Program for Uninsured Children

Legislation affecting North Carolina's "Health Choice" program for uninsured children is discussed in Chapter 11 (Health).

## **Other Legislation Affecting Social Services Agencies**

### **Certification and Licensure of Social Workers**

S.L. 1999-313 (H 1069) amends G.S. Chapter 90B (the Social Worker Certification and Licensure Act) to require the licensure, rather than certification, of clinical social workers; to revise the fees that may be charged with respect to the certification and licensure of social workers; to revise the qualifications for certification as a “certified social worker;” to revise the requirements with respect to certification and licensure of social workers who are certified or licensed in other jurisdictions; and to expand the disciplinary remedies that may be imposed by the North Carolina Social Work Certification and Licensure Board.

The provisions of G.S. 90B-10(b)(3)a, which exempted from the act’s certification and licensure requirements clinical social workers employed by the state, political subdivisions of the state, or local governments (including clinical social workers employed by state or county social services or human services agencies), expired on January 1, 1999. Employees of state or local governments who are engaged in clinical social work, therefore, must be licensed under G.S. Chapter 90B unless they are otherwise exempt from licensure under that chapter.

### **Housing for Low- and Moderate-Income Persons**

S.L. 1999-366 (S 708) amends G.S. 153A-149(c) to add, as one of the authorized uses of county tax dollars, housing programs for low- and moderate-income persons. That authority is described more specifically in a new section, G.S. 153A-378. The act also amends G.S. 159-48(c) to authorize counties to borrow money and issue bonds to finance the cost of providing housing projects for low- and moderate-income persons, including

- the construction or acquisition of projects to be owned by a county, a redevelopment commission, or a housing authority; and
- the provision of loans, grants, interest supplements, and other programs of financial assistance to persons of low or moderate income.

Under this provision, a housing project may provide housing for persons who do not have low or moderate incomes if at least 40 percent of the units in the project are reserved exclusively for persons who do. The act prohibits the use of bond proceeds to pay rent subsidies.

### **No Legal Immunity for County Social Workers**

Legislation (H 1092) that would have provided immunity in civil and criminal proceedings for actions taken by social workers providing adult protective services, child protective services, or child foster care services through county social services departments was introduced in the House of Representatives. The bill was not brought to the floor for consideration during the 1999 legislative session, however, and it is not eligible for consideration during the regular 2000 legislative session.

*Janet Mason*

*John L. Saxon*