

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

S

1

SENATE BILL 91

Short Title: Responsibility/Encouragement Act.

(Public)

---

Sponsors: Senators McKoy, McDaniel; and Carpenter.

---

Referred to: Children and Human Resources.

---

January 30, 1995

A BILL TO BE ENTITLED

1 AN ACT TO REMOVE DISINCENTIVES TO WORK THAT KEEP PUBLIC  
2 ASSISTANCE RECIPIENTS FROM MOVING TOWARD PERMANENT SELF-  
3 SUFFICIENCY AND TO REQUIRE PERSONAL AND FAMILY  
4 RESPONSIBILITY.  
5

6 The General Assembly of North Carolina enacts:

7 Section 1. Effective October 1, 1995, Part 1 of Article 2 of Chapter 108A of  
8 the General Statutes is amended by adding the following new sections to read:

9 "**§ 108A-26.1. Removal of work disincentives.**

10 (a) The General Assembly finds that a reliable vehicle is often a family necessity  
11 to fulfill the family's education, training, and work requirements. The current one  
12 thousand five hundred dollar (\$1,500) public assistance resource limit has been  
13 unchanged for a long period of time and is no longer sufficient. Therefore, the  
14 Department of Human Resources shall raise the value of an allowed motor vehicle for  
15 purposes of AFDC and Food Stamp eligibility to no more than four thousand five  
16 hundred dollars (\$4,500).

17 (b) The Department of Human Resources shall raise AFDC and Food Stamp  
18 resource eligibility limits to three thousand dollars (\$3,000), excluding the value of place  
19 of residence and of the allowed motor vehicle.

1       (c) The Department of Human Resources shall eliminate AFDC-UNEMPLOYED  
2 PARENT (AFDC-UP) disincentives by:

- 3           (1) Eliminating the '100-hour rule', which currently removes assistance  
4 from two-parent 'Unemployed Parent' families in which the principal  
5 wage earner works 100 hours or more a month eliminating the 100-hour  
6 rule; and  
7           (2) Eliminating the requirement of an unemployment history for two-parent  
8 'Unemployed Parent' families, which currently requires that one parent  
9 shall have worked and earned at least fifty dollars (\$50.00) in six of 13  
10 calendar quarters prior to the date of application in order to receive  
11 assistance.

12       (d) The Department of Human Resources shall disregard all recipients' earnings  
13 for the first three months for purposes of determining the amount of AFDC and Food  
14 Stamps a recipient shall receive. For the next nine months the Department shall disregard  
15 the first two hundred dollars (\$200.00) per month, plus one-third of the remainder.

16 **"§ 108A-26.2. Paternity establishment; paternal duties.**

17       (a) The General Assembly finds that it is essential to restore the responsibility of  
18 fathers for their families regardless of whether these fathers are custodial or noncustodial  
19 and that all too often the system is not pursuing vigorously paternity establishment and  
20 child support.

21       (b) The Department of Human Resources shall ensure that G.S. 110-131 and all  
22 other laws and procedures for the establishment of paternity of all children whose  
23 custodial parent applies for public assistance provided by the State are strictly enforced,  
24 unless the Department of Human Resources determines that:

- 25           (1) The child was born as a result of rape or incest; and  
26           (2) Efforts to establish paternity would result in physical danger to the  
27 parent or the child.

28       Local departments of social services shall report their attempts to establish paternity  
29 and their successful paternity establishments in their annual reports to the Department of  
30 Human Resources.

31       Notwithstanding any law to the contrary, the Department of Human Resources shall  
32 ensure that any parent who refuses to cooperate with paternity establishment shall be  
33 declared ineligible for public assistance by the local department of social services for as  
34 long as that parent refuses to cooperate until paternity is established. The child shall  
35 continue to receive Medicaid and other benefits that a dependent child is eligible for  
36 under this Article.

37       (c) The Department of Human Resources and the Administrative Office of the  
38 Courts shall ensure that the local agencies affected make every attempt to have  
39 noncustodial parents pay child support within a reasonable time on a reasonable schedule.  
40 The Department of Human Resources and the Administrative Office of the Courts shall  
41 ensure that all affected local agencies document all attempts at collecting child support as  
42 part of their annual reports.

43 **"§108A-26.3. Family responsibility of recipients.**

1       (a) The General Assembly finds that growth in family size and the commensurate  
2 automatic increase in benefits make it more difficult for families to overcome the  
3 obstacles to economic achievement and to escape permanently the bonds of welfare  
4 dependency.

5       (b) Notwithstanding any law to the contrary, effective January 1, 1996, the  
6 Department of Human Resources shall ensure that increases in assistance other than  
7 general increases provided to all recipients are not provided to a recipient family for any  
8 additional dependent child born while the family is receiving assistance. The additional  
9 dependent child shall continue to receive Medicaid and those other assistance benefits for  
10 which it is eligible under this Article.

11       (c) The Department shall ensure that recipient families do not avoid the limitation  
12 on assistance required by subsection (a) of this section by temporarily leaving the  
13 assistance program during the time they give birth and then reapplying. A recipient  
14 family who seeks to reapply after a prior period in the program shall not receive  
15 additional increased assistance for any children conceived or born while the family was  
16 receiving assistance.

17 **"§ 108A-26.4. Amended work requirements.**

18       Notwithstanding any law to the contrary, the Department of Human Resources shall  
19 ensure that current work requirements for assistance be modified to require that all  
20 eligible recipients who are in job training or education part-time work part time. Only  
21 those eligible recipients who are in job training or education full-time are exempt from  
22 work requirements.

23       The Department shall also ensure that an eligible recipient who cannot find gainful  
24 employment can continue to receive assistance only if:

25           (1) The recipient performs documented work in uncompensated public  
26 community service for that number of hours per month reached by  
27 dividing the amount of assistance received per month by the State  
28 minimum wage; and

29           (2) The recipient documents to the local social services agency that the  
30 recipient has been applying for gainful employment on a regular basis,  
31 as established by the Employment Security Commission.

32 **"§ 108A-26.5. Notification of eligibility restrictions.**

33       (a) The Department of Human Resources shall ensure that all applicants for  
34 assistance are informed at the time of application of the eligibility restrictions and  
35 requirements contained in G.S. 108A-26.5, 108A-26.6, and 108A-26.7.

36       (b) Effective upon ratification of these sections, the Department of Human  
37 Resources shall develop a comprehensive program of public service announcements and  
38 printed materials and shall work to publicize these eligibility restrictions and  
39 requirements. This notification shall begin immediately following ratification of these  
40 sections to encourage all affected citizens, both men and women, to accept personal and  
41 family responsibility for sexual behavior."

42       Sec. 2. Notwithstanding any laws to the contrary, effective January 1, 1996,  
43 G.S. 110-131 reads as rewritten:

1 **"§ 110-131. Compelling disclosure of information respecting the nonsupporting**  
2 **responsible parent of a child receiving public assistance.**

3 (a) If a parent of any dependent child receiving public assistance fails or refuses to  
4 cooperate with the county in locating and securing support from a nonsupporting  
5 responsible parent, this parent may be cited to appear before any judge of the district  
6 court and compelled to disclose such information under ~~oath and/or may oath~~. This parent  
7 shall be declared ineligible for public assistance by the county department of social  
8 services for as long as ~~he~~ the parent fails to ~~cooperate~~ cooperate, unless the department  
9 determines that the dependent child was born as a result of rape or incest and that efforts  
10 to establish paternity would result in physical danger to the parent or the child.

11 (b) Any parent who, having been cited to appear before a judge of the district court  
12 pursuant to subsection (a), fails or refuses to appear or fails or refuses to provide the  
13 information requested may be found to be in contempt of said court and may be fined not  
14 more than one hundred dollars (\$100.00) or imprisoned not more than six months or both.

15 (c) Any parent who is declared ineligible for public assistance by the county  
16 department of social services shall have ~~his~~ this parent's needs excluded from  
17 consideration in determining the amount of the grant, and the needs of the remaining  
18 family members shall be met in the form of a protective payment in accordance with ~~G.S.~~  
19 ~~108-50.~~ G.S. 108A-38."

20 Sec. 3. If it considers that it will be necessary to obtain a waiver from the  
21 federal government to implement Section 1 or 2 of this act without the risk of a  
22 substantial monetary sanction, the Department shall immediately, as of the effective date  
23 of this section, prepare and apply for the waiver. If the federal government denies the  
24 waiver before the effective date of Section 1 or 2 of this act or if the waiver has not been  
25 accepted by the effective date of these sections, these sections shall not become effective  
26 unless the General Assembly, in the next appropriations act passed after the denial,  
27 appropriates sufficient funds to make up for the loss of federal funds, in which case, it  
28 shall become effective on the effective date of this appropriations act. If the waiver is  
29 denied or has not been accepted by the effective date of these sections, funds  
30 appropriated by this act shall be held by the State Treasurer in a special fund, which shall  
31 be released as appropriated if the General Assembly does meet this condition.

32 Sec. 4. Except for, and subject to the conditions set forth in Section 3 of this  
33 act, and unless otherwise specified, Sections 1 and 2 of this act become effective January  
34 1, 1995, and apply to initial determinations of assistance, to determinations of continuing  
35 assistance, and to discontinuations of assistance on or after that date. Sections 3 and 4 of  
36 this act become effective upon ratification. Any appropriations made by this act become  
37 effective July 1, 1995.