



North Carolina Department of Health and Human Services Division of Social Services

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Michael F. Easley, Governor
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Sherry S. Bradsher, Director
(919) 733-3055

April 24, 2006

DEAR COUNTY DIRECTOR OF SOCIAL SERVICES

ATTENTION: WORK FIRST PROGRAM MANAGERES AND SUPERVISORS

SUBJECT: DHREJ NON-COOP WITHOUT IVD SANCTION

Last August the Division released a Dear County Director letter, which identified a significant financial penalty the Department is facing for non-compliance with federal regulations. The federal Office of Family Assistance had determined that North Carolina was out of compliance with regulations, which require states to enforce sanctions against appropriate individuals who failed to cooperate with the state child support agency (IV-D). Findings from the Office of the State Auditor for SFY 2003 and 2004 indicated that county departments of social services in North Carolina were not imposing sanctions in a timely manner on those clients who were identified as non-cooperative by their local Child Support Enforcement office. The State Auditor has again identified this as a repeat finding for SFY 2005.

The initial penalty imposed was \$2,231,951, which equates to reductions of 1 percent of the state's TANF Block Grant. This amount could more than double if the state does not have a clean audit for SFY 2006. If this penalty is imposed the county block grant line item will be reduced accordingly, thus each county will receive less TANF federal funding. The penalty for subsequent findings can run as high as 5 percent of the TANF grant.

In August 2005, North Carolina entered into a corrective action plan that may allow the state to avoid paying the penalty. This plan will only be deemed effective if the state does not have similar findings in SFY 2006. To that end, the Division has made several changes to operational procedures and reports:

- Work First Program field staff have been instructed to make this the top priority in consultations with their assigned counties;
- Work First automation staff have completed revisions to the DHREJ NON-COOP WITHOUT IVD SANCTION report, which is now run daily;
- The Division has completed revisions to the Compliance Monitoring for the Work First Program. Monitors are now pulling a larger sample of IV-D non-coop cases during on-site monitoring;
- Work First Program policy unit has implemented new policy and made clarifications to existing policy material related to the issue;

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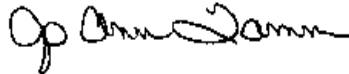
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- The Division s Work First field representatives, Work First policy staff, and Child Support Enforcement policy staff have met to review and address related policy and practice issues; and,
- County training issues have been addressed individually with each Work First field representative as those issues have been identified.

It is imperative that every county department of social services in North Carolina give priority to the work list that is transmitted daily from the child support office. Actions to impose the requested IV-D sanction must be taken immediately. County staff have a maximum of ten workdays to send the timely notice to the client. A sanction must be applied for a minimum of one (1) month, if the client complies with IV-D after the expiration of the ten-day period identified on the timely notice (DSS-8110). There is not a cure for the sanction if the client does not cooperate with IV-D within that 10-day period. A sanction must be applied. Work First Program field staff have already been instructed to make this action a priority in their assigned counties.

If you have any questions, please contact your Work First Program Field Representative, or Johnice Tabron, the Supervisor for the Work First Program Field Representatives. Mrs. Tabron can be reached at Johnice.Tabron@ncmail.net, or by calling (919) 733-7831.

Sincerely,



Jo Ann Lamm, Chief
Family Support and Child Welfare Services

cc: Sherry Bradsher
Children Program Representatives
Family Support and Child Welfare Services Managers
Work First Field Representatives
Work First Compliance Monitors
Local Business Liaisons

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