



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

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Courier # 56-20-25 Fax 919-733-9386

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Sherry S. Bradsher, Director
(919) 733-3055

August 16, 2006

Dear County Director of Social Services:

Subject: Advance Notice of Work First Demonstration Grants

On February 8, 2006, President Bush signed into law the Deficit Reduction Act of 2005 (DRA). The DRA reauthorizes TANF through 2010. For North Carolina's Work First Program, one of the most significant changes under DRA is the revised calculation of the caseload reduction credit. These revisions change the base year for the calculations from 1995 to 2005. Previously, this case load reduction credit has greatly assisted North Carolina in meeting the federal work participation rate of 50% for all-family. While the participation rates have not changed, it will be increasingly difficult to place clients into employment opportunities since we are now serving clients with more difficult needs, and facing greater barriers to employment. An inability to meet the federal work performance measures has the potential to result in significant financial penalties which would derail the progress our counties are making with families.

During the most recent session, the North Carolina General Assembly appropriated approximately \$19 million dollars in TANF funds over a three-year period for demonstration grants to county departments of social services. The purpose of the county demonstration grants is to identify best practices that can be used by counties to improve the work participation rates. While the Division is still in the process of finalizing the overall guidelines for awarding the grants, we wanted to give county departments of social services as much advance notice as possible.

Within the next couple of weeks, the Division will be providing more detailed information on each aspect of funding opportunities. Between now and the end of August, each county department of social services should begin to look closely at their Work First performance data and collaborate with their community partners on what strategies would help your community increase your success with Work First clients. Your Work First Regional Program Representative is available to help you in examining this data.

Sincerely,

A handwritten signature in cursive script that reads "Esther T. High".

Esther T. High, Acting Chief
Family Support and Child Welfare Services

CC: Sherry Bradsher
Jo Ann Lamm
Sarah Barham
Family Support and Child Welfare Services Team Leaders
Work First Regional Program Representatives

FSCWS-50-06