



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

325 North Salisbury Street

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Courier # 56-20-25

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

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

August 30, 2006

DEAR COUNTY DIRECTOR OF SOCIAL SERVICES

ATTENTION: Work First Program Administrators and Supervisors

SUBJECT: Implementation of New Work First Policies as a result of TANF Reauthorization

The Deficit Reduction Act of 2005 (DRA of 2005), which was signed into law on February 8, 2006, reauthorizes the TANF program until 2010 and mandates changes that will affect Work First policy as of October 1, 2006. The U.S. Department of Health and Human Services issued interim final rules on June 29, 2006. The Division, in collaboration with a county work group is in the process of developing policy revisions to bring North Carolina into compliance with the DRA and interim final rules. This policy will be presented at the September Economic Services Committee of the NC Association of County Directors of Social Services. In the interim, this letter is to apprise you of the changes that will be coming to you in September that will be effective October 1, 2006. Although the policy is not finalized, there are a number of issues that we ask you to begin assessing internally and with your county stakeholders in preparation for implementing the new federal requirements.

The changes that are being addressed have to do with the definitions of "Work Eligible Individuals" and the definitions of the federal work activities. Additionally, there are new rules about how to count and report hours of participation, as well as requirements for supervision and documentation related to work activities and hours of participation.


For North Carolina's Work First Program, one of the most significant changes under DRA is the revised calculation of the caseload reduction credit. The base year for the calculation for the caseload reduction credit shifts from 1995 to 2005. Previously, this case load reduction credit has greatly assisted North Carolina in meeting the federal work participation rates. While the required participation rates have not changed, it will be increasingly difficult to meet these rates with the new base year 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. In addition, there will be federal audits of cases to ensure that the federal regulations are followed. Audit findings could also lead to penalties for the state. Therefore, it is

necessary for counties to concentrate on innovative strategies to increase the number of hours of work activities for all work eligible individuals while remaining in compliance with the requirements for the work activities.

We recognize that implementing such sweeping new policy by October 1, 2006 provides counties with a very short turnaround to be in compliance. While awaiting the approval of North Carolina's policy changes, we are issuing the relevant definitions, work-hour calculations and supervision/documentation requirements through this letter. Please see the attached document. We ask that you begin internal discussions about how to implement these new requirements in your agency, and we suggest that you begin conversations with your community partners about how they may be able to help you with the supervision and documentation requirements and with other opportunities for work eligible individuals through their programs.

If you have any questions, please contact your Work First Representative.

Sincerely,

A handwritten signature in black ink that reads "Esther T. High". The signature is written in a cursive style.

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

[Attachment](#)

cc: Sherry Bradsher
Jo Ann Lamm
Sarah Barham
Hank Bowers
Family Support & Child Welfare Services Team Leaders
Children's Program Representatives
Work First Representatives

FSCWS-52-06